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The Twenty-One Demands

JAPAN *VERSUS* CHINA

G. Zay Wood

Formerly Editor of "The Far Eastern Republic,"
Curtis Fellow in International Law and Diplomacy, Columbia University, President of the Chinese Political Science Association, Author of "China, the United States, and the Anglo-Japanese Alliance," etc., etc.

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TO

MR. LIANG-HUA SHEN

A FRIEND, COUNSELLOR, AND SYMPATHIZER
THIS BOOK IS
AFFECTIONATELY DEDICATED

464306

FOREWORD

What are the Twenty-one Demands? The question has been again and again asked, with the meeting in Washington of nine Powers—Great Britain, France, Italy, Japan, China, Belgium, Holland, Portugal, and the United States—to discuss questions relating to limitation of armament and to the tangled issues in the Pacific and in the Far East. To answer this simple question, concisely and yet fully, is the purpose of the book, which is primarily a non-partisan and impartial discussion of the subject.

The Twenty-one Demands are originally divided into Five Groups, and it is in accordance with the division of Groups that they are herein analysed. These analyses, together with the account of the immediate circumstances leading to the presentation of the demands and of the manner in which the negotiations were conducted between the Chinese and Japanese Governments, ought to serve as a complete story of the most dramatic and most significant incident, if it be an incident, of the whole history of the Chino-Japanese relations.

The facts herein presented are not new. They have long become public property. They are, however, so arranged as to present a consecutive narrative, and those who are interested to know the com-

plete history will find it fairly comprehensive. The readers are invited to consult the appendices, in which may be found the official statements and original texts, and the companion volume, "The Chino-Japanese Treaties of May 25, 1915," in which the voidance of the said treaties is urged on legal, political, economic, and moral grounds.

CONTENTS

CHAPTER		PAGE
I.	INTRODUCTION	11
II.	THE PRESENTATION OF THE DEMANDS .	22
III.	ATTEMPT AT SECRECY	31
IV.	THE TWENTY-ONE DEMANDS ANALYSED —GROUP I	39
V.	THE TWENTY-ONE DEMANDS ANALYSED —GROUP II	46
VI.	THE TWENTY-ONE DEMANDS ANALYSED —GROUP III	53
VII.	THE TWENTY-ONE DEMANDS ANALYSED —GROUP IV	62
VIII.	THE TWENTY-ONE DEMANDS ANALYSED —GROUP V	68
IX.	A UNILATERAL NEGOTIATION . . .	79
X.	CONCLUSION	95

APPENDICES:

A. INSTRUCTIONS HANDED AT TOKIO, DECEMBER 3, 1914, BY BARON KATO, MINISTER OF FOREIGN AFFAIRS, TO MR. HIOKI, JAPANESE MINISTER IN PEKING, IN CONNECTION WITH THE TWENTY-ONE DEMANDS 105

B. JAPAN'S ORIGINAL DEMANDS, HANDED TO PRESIDENT YUAN SHIH-KAI BY MR. HIOKI, JANUARY 18, 1915 108

PAGE

C. THE INCORRECT VERSION OF THE TWENTY-ONE DEMANDS GIVEN OUT BY THE JAPANESE GOVERNMENT TO THE OTHER POWERS IN RESPONSE TO THEIR INQUIRIES . 113

D. JAPAN'S REVISED DEMANDS, TWENTY-FOUR IN ALL, APRIL 26, 1915 . 115

E. CHINA'S REPLY TO THE REVISED DEMANDS, MAY 1, 1915 . . . 123

F. MEMORANDUM READ BY THE CHINESE MINISTER OF FOREIGN AFFAIRS TO MR. HIOKI, THE JAPANESE MINISTER, AT A CONFERENCE HELD AT WAI CHIAO PU, MAY 1, 1915 128

G. JAPAN'S ULTIMATUM TO CHINA, DELIVERED BY THE JAPANESE MINISTER TO THE CHINESE GOVERNMENT, 3 P. M., MAY 7, 1915 . . 135

H. CHINA'S REPLY TO THE ULTIMATUM, MAY 8, 1915 142

I. OFFICIAL STATEMENT BY THE CHINESE GOVERNMENT RESPECTING THE CHINO-JAPANESE NEGOTIATIONS BROUGHT TO A CONCLUSION BY CHINA'S COMPLIANCE WITH THE TERMS OF JAPAN'S ULTIMATUM 144

J. JAPAN'S COMMUNIQUE, ISSUED AT TOKIO, MAY 7, 1915 . . . 165

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THE TWENTY-ONE DEMANDS

I

INTRODUCTION

FOR the last score of years, Japanese diplomacy in China seems to have had as its paramount object the control of the rich Chinese resources which are necessary to a very large extent to Japan's own economic existence. The means adopted by Japan to realise the end she has in view are not always above reproach, and the methods which she employs are frequently reprehensible. The Chientao dispute of 1907, the Tatsu Maru affair of the following year, the objection by the Japanese Government to the construction of the Hsinmintun-Fakuman Railway in 1908-9, the collapse of the neutralisation scheme of the Manchurian railways in 1910, the conclusion by Japan of secret agreements with Russia in 1907 and then in 1910 for the division of their respective spheres in China, the Nanking affair of 1913, the Chengchiatun fracas of 1916, the Amoy police case in 1918, the Hungchun outrage in 1920, and many other cases and "affairs" that it is not necessary to enumerate here, are typical examples of the means and methods which Japan has not hesitated to employ in adjusting her

relations with China. They are certainly not happy instances of fair dealing, which should characterise all international relations, particularly between China and Japan, when the latter has much to depend upon the former, even if for economic considerations only.

Japan's economic and political ambitions in China have long been an open secret. Because of the watchfulness of the other Powers having vital interests in China, they were not, however, openly pursued. The outbreak of war in Europe in August, 1914, created for Japan an unprecedented but long desired opportunity—"an opportunity that never comes back again in a life time"—to carry out her well-studied economic and political programmes in China, or, to use the official language of the Japanese Government, "to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved." Thus, without waiting for the call from her ally, Japan suggested her readiness to join in the conflict. Apprehensive of the serious consequences which would flow from Japan's intervention in the struggle, and yet unwilling to state openly its objection to her participation, the British Government merely suggested that, in event of war between Japan and Germany, the operations of the Japanese forces should be limited to the Yellow Sea and to the pro-

tection of the allied shipping in the northern Pacific. Japan wished, however, to play bigger stakes. So on August 15, 1914, Japan sent the ultimatum to Germany, calling on the latter "to deliver on a date not later than September 15 to the Imperial Japanese authorities, without condition or compensation, the entire leased territory of Kiao-chow, with a view to the eventual restoration of the same to China." The ultimatum was ignored by Germany, and war was declared by Japan on August 24. The Chinese Government, realising that a major portion of the military operations against the German leased territory would be carried on in the Shantung province, and being anxious to limit these operations to the smallest area commensurate with the military necessity so that her people would be subjected to as little miseries and devastations of the armed conflict as possible, established a special war zone in which the belligerents could carry on their hostile operations against each other. The establishment of this special military area in Shantung was notified to Japan, Germany, and the allied Powers, in a circular note under the date of September 3, 1914. It is very important to remember the creation of this special military area, for its abolition later was seized upon as an excuse justifying the presentation of the Twenty-one Demands. It is also important to add that to this war zone Japan vigorously objected, for she thought that it would tend to hamper and to limit her military operations.

Japan's real object in entering the war, it has been pointed out, was "less the destruction of German Imperialism than the creation of a situation enabling her to strengthen her own position in Eastern Asia by all means within her power." She saw in her participation in the war the opportunity of driving Germany out of her leased possessions in Shantung, as Japan had done so with Russia in South Manchuria. Dispossession of Germany would eventually mean acquisition by Japan, is apparently the assumption upon which Japanese statesmen had formulated their Chinese policy. The rich coal, iron, and gold mines which German concerns had operated in Shantung, the Tsinanfu-Kiaochow Railway that had been built with Chino-Japanese capital and operated by a private company, and other fruits of German enterprise in Shantung, were so many more attractions for Japan to make use of the opportunity which her participation in the war afforded her. Towards the later part of September, Japan began her military operations against Tsingtao, in co-operation with a contingent of British forces. On November 7, the Germans capitulated, and on November 16, the Anglo-Japanese forces made their triumphant entry. The war in the Far East, which was precipitated by Japan's ultimatum of August 15, was practically over by the middle of November. The British forces were immediately withdrawn; but Japan, for obvious reasons, not only refused to withdraw her troops already in Shantung, but increased her forces

there even after the cessation of military operations.

As the war zone was created by the Chinese Government to meet the commencement of the military operations by Japan and Great Britain against Tsingtao, it became absolutely useless with the capture of the territory and the general cessation of military activities in the area. The Chinese Government expressed, therefore, the desire to abolish this military zone, so as to restore the normal condition in the province as soon as possible. The Chinese Government had, at first, even entertained the hope that the Japanese Government would take the initiative in suggesting its abolition. It is, however, very curious to say that the Japanese Government, when approached on the subject, objected to the abolition of the war zone, as strongly as it had objected to its creation at the beginning. The official attitude of the Japanese Government seemed to be that, inasmuch as China had already established the zone there was no need for its immediate abolition.

The Chinese Government became all the more determined to abolish the special military area, in view of the persistent disregard shown by the Japanese authorities of China's territorial sovereignty. Regardless of the feelings of the Chinese people in general and those of Shantung in particular, and quite unmindful of China's sovereign rights, the Japanese military authorities in command of the expeditionary forces proceeded systematically to establish their

jurisdiction in the cities which they had already occupied, and to extend it to the other cities, which are outside of the military zone. In other words, they proceeded to establish their jurisdiction practically all over the Shantung province. A contemporary writer recorded the encroachments as follows: "Garrisons were stationed along the Tsinanfu-Tsingtao Railway, and at Tsinanfu, the capital of the province; at Lungkow, Wei-hsien, and other important points. By a gradual and at times subtle process, Chinese police, communication and other local administrative functions were negatived and usurped, after the system which had been employed and perfected in Korea and Manchuria. An influx of a low class of Japanese immigrants, to which the Chinese population was more or less subordinated, followed on the heels of the Japanese military forces." And the special war zone, the creation of which was strenuously objected to by Japan as she thought it would limit the area of her military operations, was now secretly welcomed by the Japanese authorities as a convenient screen to cover up their sinister activities.

That the war zone could be made use of by Japan in such a way was beyond the calculations of the Chinese Government. We recall that when Japan landed her troops at Lungkow and thus violated China's neutrality, the Council of State (the Tsangchengyuen) protested to the Peking Government and urged it for definite action; we know that when

Japanese authorities seized the Shantung Railway under the pretext of "military necessity," the Council of State, jealous of China's territorial rights, again protested and again urged that something should be done to prevent further aggression; and we also know that when Japan insisted upon the maintenance of the special war zone when the war operations had ceased, the Council of State called upon the Peking Government to abolish it without reference to the wishes of the Japanese Government. The public opinion in China was, then, so decidedly against the continuance of the special military area, and the Chinese people in general were so afraid of its being made use of by Japan as an easy device with which to carry out her schemes of exploitation and aggression in the Shantung province, that the Chinese Government was bound to protest against the sinister use which the Japanese military authorities were making of the zone, and to request the concurrence of the Japanese Government to its immediate abolition. In the last of a series of six notes exchanged between the two governments, the Chinese Minister of Foreign Affairs pointed out that two full months "have elapsed since the capture of Tsingtao; the basis of German military preparations has been destroyed; the troops of Great Britain have already been and those of your country are being gradually withdrawn. This shows clearly that there is no more military action in the special area, and that the said area ought to be cancelled admits

of no doubt." Japan, for apparent reasons, received China's suggestion with displeasure, and considered it as a sort of pin-prick policy on the part of the Chinese Government. And in the Japanese press—which is always government inspired—there was a great outburst of indignation over the Chinese request. All the newspapers in Japan affected to regard it as an "insult" to the Japanese Government, not realising the fact that Japan's concurrence in the abolition was not necessary and was asked for by the Chinese Government purely as an act of courtesy.

The hostile spirit with which China's suggestion for the cancellation of the special war area in Shantung was received by the Japanese press, and the repeated refusal of the Japanese Government to act on the suggestion, left no alternative for the Chinese Government but to proceed to abolish the zone. Proper steps were taken, and the special military area delimited for the purpose of meeting the emergency of the Anglo-Japanese attack upon Tsingtao was cancelled. On January 7, 1915, the Japanese Government was officially notified of the cancellation through its Minister in Peking. Mr. Hioki Eki, Japanese Minister in Peking, replied two days later that the Japanese Government would not recognise the cancellation. In a note dated January 16, the Chinese Minister of Foreign Affairs pointed out in reply that, as there was no more military action in the special area delimited for the purpose, the

same ought to be cancelled. "As efforts have always been made to effect an amicable settlement of affairs between your country and ours," continued the Chinese Foreign Minister, "it is our earnest hope that your government will act upon the principle of preserving peace in the Far East and maintaining international confidence and friendship."

But these expressions for peace and friendship fell on deaf ears. The Japanese Government was not prepared to listen to them. On January 18, within thirty-six hours of the expression of this earnest hope for an amicable settlement by the Chinese Foreign Minister, Mr. Hioki, Japanese Minister in Peking, called at the office of the President and presented to him in person, not a reply to the note of the Chinese Government of January 16, but the Twenty-one Demands, which had absolutely nothing to do with the question of the military zone at issue, but for the presentation of which the abolition of the zone by the Chinese Government was made a timely and convenient excuse. The diplomatic procedure that Japan has adopted in her dealings with China is not infrequently out of the usual rut, and this presentation of the Twenty-one Demands to the President of the Chinese Republic, without going through the Chinese Foreign Office, and under the most flimsy pretext, is but one illustration.

Now in order to understand the real nature and significance of these demands we have but to refer

to the appendices, in which both the original and the revised texts can be found. Compare them with the exacting demands which Austria-Hungary had made upon Serbia, and the difference is rather striking. We recall that Serbia was willing and ready to accept all the demands except the ninth and the tenth, for which arbitration was suggested as an alternative. The ninth demand consisted in that all officers and officials guilty of propaganda against Austria-Hungary, which resulted in the assassination of the Austrian Archduke, were to be dismissed, the Government of Austria-Hungary reserving to itself the right to communicate to the Serbian Government the names and doings of such officers and officials. The tenth demand was that the representatives of Austria-Hungary should assist Serbia in suppressing the movement directed against the territorial integrity of the Dual Monarchy and take part in the judicial proceedings on Serbian territory against persons accessory to the Sarajevo crime. These two demands Serbia refused to accept, and her refusal was the immediate cause of the outbreak of the European War in August, 1914. Now compare the Austrian demands on Serbia and the Japanese demands on China, the former being made on account of the Sarajevo crime and the latter because of China's refusal to violate her neutrality in the European War. If the Austrian demands to Serbia were drastic, the Twenty-one Demands on China were hundred times more so; if the former were

incompatible with the sovereignty of Serbia, the latter were in conflict with China's very right of self-preservation; and if the former were directly responsible for the outbreak of the war, the latter were certainly, as a *casus belli,* infinitely more justifiable.

It is rather unfortunate, however, that a great deal was lost in the rendering of the list of demands from its original text in Chinese into English, and the menace which was revealed in the Chinese original was made to appear more or less insignificant in its English version. "By transferring Eastern thoughts into Western moulds," a well-known writer on China has observed, "things that are like nails in the hands of soft sensitive Oriental beings are made to appear to the steel-clad West as cool-blooded, evolutionary necessities which may be repellent but which are never cruel." While, on the other hand, "to study the original Chinese text is to pass as it were into the secret recesses of the Japanese brain, and to find in that darkened chamber a whole world of things which advertise ambitions mixed with limitations, hesitations overwhelmed by audacities, greatnesses succumbing to littlenesses, and vanities having the appearance of velleities."

II

THE PRESENTATION OF THE DEMANDS

THAT which attracted our attention first was the manner in which these demands were presented to China. It was most extraordinary, and most significant. Instead of communicating them to the Chinese Minister of Foreign Affairs, as is the customary diplomatic procedure, the Japanese Minister presented them to the President of China in person. The Chinese Foreign Office thus became in the eyes of the Japanese diplomat a useless governmental machinery, of which he refused even to make the ordinary use.

On January 18, 1915, Mr. Hioki, Japanese Minister in Peking, sought a private interview with President Yuan Shih-k'ai. The alleged purpose for the interview was "to explain the attitude of his government towards China and to bring home to the President the fact that the Japanese Government was anxious to settle a few outstanding questions with China." The request was, of course, readily complied with; but it must be understood that in granting the interview the Chinese President, or any one else in the Chinese Government, had not the slightest idea of what was actually in the Japanese Minister's sleeve. It was thought that some ques-

tion relating to the special war zone in Shantung which the Chinese Government had just abolished, might be made a subject of discussion. "Or, perhaps the Japanese Minister wished," as an American writer has sarcastically put it, "to convey personally to the President the pleasant assurances of Japan's consideration and friendship which Count Okuma previously had conveyed through mutual friends, or perhaps Mr. Hioki's call was socially diplomatic." To the utter surprise of the Chinese Government, and to the astonishment of the President himself Mr. Hioki's request for a private interview was made for the purpose of presenting to the President in person the Twenty-one Demands. It has since become known that such extraordinary procedure was resorted to by the Japanese diplomat so that the Chinese Government could be impressed with their unusual importance.

The interview took place in the evening. According to the details recounted by one who was present, the interview was most dramatic and yet most formal. After the usual exchange of words of amenities, President Yuan Shih-k'ai sat down and listened to what the Japanese Minister had to say. "With a mien of great mystery and importance the Minister opened the discussion. He enjoined absolute secrecy, on pain of serious consequences, before handing Yuan the text of the demands." President Yuan listened quietly, and without any interruption, to the reading of the demands. The Japanese Minister,

when he had finished with the reading, explained to the President that the Twenty-one Demands were submitted for immediate acceptance by China, with a view to removing the antagonistic feelings which had found expression in a large section of the Japanese people against President Yuan Shih-k'ai himself, and consequently against his government. The acceptance of these demands, Mr. Hioki, in a rather naïve manner, gave it as his opinion, would not only disarm the personal animosity of the Japanese people against the President, but would also strengthen the relation of good neighbourhood between the two countries. He warned President Yuan that the Chinese revolutionists were very active in Japan in fomenting a third revolution against the Peking Government. While the Japanese Government had no sympathy with the Chinese revolutionists, he said, it would, however, find itself unable to restrain their activities, should the President decline to accept these demands *in toto*. In that case, nor could the Japanese Government tell what might happen to President Yuan himself or to the Peking Government, if the Chinese revolutionary leaders in Japan should be permitted to go unrestrained. The Japanese Minister urged that it was, therefore, in the best interest of the President himself * and the Govern-

* The Japanese Minister was said to have also dropped a few significant hints as to the possibility of helping make President Yuan the Emperor of China,—a line of argument which was intended to influence the President personally. "Indeed, there is no reason to doubt that the Japanese Envoy

ment of China that the Twenty-one Demands should be accepted without delay and without reservation, as they had no other object than that of settling the "outstanding questions" between China and Japan. And in the same interview, the Japanese Minister complained of China's foreign policy which he characterised as one of "befriending the distant nations and showing hostility to her immediate neighbours." As a proof of this policy, he pointed to the fact that Great Britain and the United States were often taken as China's friends and sponsors, while Japan, who was China's next-door neighbour and deserved to be the leader of the Far East, was frequently disregarded. He expressed the hope, therefore, that the willing acceptance of the Twenty-one Demands would put China and Japan in better and more friendly relations.

A long lecture it was, indeed, and one which was given when it was least expected. The Japanese diplomat could not, of course, finish the interview without enjoining absolute secrecy in regard to the demands. No disclosure of them, he urged, should be made to any Power; and he went even so far as to threat that should the demands become known to the public, Japan would be compelled to present harsher and more severe ones to China. This enjoinment of strictest secrecy was given by the Japan-

actually told Yuan Shih-k'ai that as he was already virtually Emperor it lay within his power to settle the whole business and to secure his position at one blow."

ese Minister as "his sincere advice" and "in the best interests of both countries."

Throughout this interview, President Yuan remained silent, and showed no sign of perturbation. "A less experienced, strong, and astute statesman than Yuan Shih-k'ai might well have been stunned, and cowed, by Japan's demands and the manner of their presentation." At the conclusion of the conversation, he merely remarked that China could not be expected to make such concessions as asked for, and that until he had the opportunity of examining the list of demands carefully, he had nothing to say. So, with the usual exchange of words of perfunctory nature, the interview ended.

Now, it is hardly necessary to say that history has very few instances, if any, which can be parallel to this high-handed manner in which these demands were made. Without the least hint of premonition from the Japanese Government or its representative in Peking, and without going through the Chinese Foreign Office, which is the regular intermediary between the Chinese Government and the accredited diplomatic representatives in the Chinese capital, the Japanese Minister, under the pretext of a private interview, served the demands on President Yuan in person. After presentation, the President was then cautioned to keep them absolutely secret. This deliberate departure from the customary procedure of intercourse was justly characterised as contrary to diplomatic decency and usage.

In the previous chapter, it has been stated that Japan seized upon the abolition by China of the special war zone in Shantung as the immediate excuse for the presentation of the Twenty-one Demands. From the First Instructions * given by Baron Kato, then Japanese Minister of Foreign Affairs, to Mr. Hioki, which were officially published at Tokio on June 9, 1915, we note that the presentation of the Twenty-one Demands to China had been decided upon for a long time. On his leave of absence,† Mr. Hioki was given on December 4, 1914, the text of Twenty-one Demands—styled as "proposals" in the Instructions—which he was to present to the Chinese Government at a "suitable opportunity." "Believing it absolutely essential for strengthening Japan's position in Eastern Asia as well as for preservation of the general interests of that region to secure China's adherence to the foregoing proposals (meaning the Twenty-one Demands), the Imperial Government are determined to attain this end by all means within their power. You are, therefore, requested to use your best endeavour in the conduct of the negotiations, which are hereby placed in your hands." Upon his return to Peking, Mr. Hioki waited for the "suitable opportunity." It was decided that the "suitable op-

* *Vide*, Appendix A.

† It was assumed in some quarters that Mr. Hioki was recalled so that he could receive the instructions about the Twenty-one Demands from Baron Kato, the Foreign Minister, in person.

portunity" had arrived when the Chinese Government abolished the military zone in Shantung. On January 7, 1915, the Japanese Minister was informed that the special war zone was cancelled and the original status of the area was restored. The Japanese Minister was requested to call upon his government to withdraw all Japanese troops in the said area "in order to respect the neutrality of China." On January 9, the Japanese Minister replied, upon receipt of telegraphic instruction from Tokio, that the abolition of the war zone was considered as "an act, improper, arbitrary, betraying, in fact, want of confidence in international good faith and regardless of friendly relations." On January 16, the Chinese Foreign Minister again explained the reasons for the abolishment, pointing out the fact that, inasmuch as military operations had ceased, the *raison d'être* for the war zone had also ceased to exist. To this explanation, the Japanese Government did not reply. The only reply from the Japanese Government came in the form of the Twenty-one Demands.*

Those who have carefully watched the development of the poltical situation in the Far East have unanimously agreed that the Twenty-one Demands were as drastic as the time of their presentation was opportune. Little attempt has been made by

* It is interesting to state that the demands were written on Japanese War Office papers, "water-marked with dreadnoughts and machine-guns."

Japan for years past to conceal her ambitions in China, yet no such a bold move she would dare, had it not been for the war in Europe which absorbed all the attentions of the belligerent Powers. The outbreak of the armed struggle in Europe in August, 1914, was considered by Japan as an opportunity, "that never comes again in hundred years," to settle a few outstanding questions with China. The field was clear, and her hands were free. Gloom in Europe was sunshine for Japan, and no one should be surprised that she would make hay while she could.

Japan found it still necessary to go under covers, however. Aside from the desperate attempts which she made for keeping the demands absolutely secret —attempts which we shall deal *in extenso* in the following chapter, the idea was industriously propagated that the demands were nothing more than "a counter-blast to German pretensions in China." When carefully analysed, they appeared to be more of a counter-blast to British, rather than to German, pretensions in China. An accurate estimate of the demands was arrived at in an editorial of the North-China *Herald* of February 9, 1915, when it said: "Even admitting, for the sake of argument, that Japan is so utterly lost to all sense of honour as to try to steal a march on her partners (in the war), self-interest would deter her from taking so hazardous a step. Above all, she is bound by her alliance with Great Britain; and looking back upon

the record of that association, we cannot believe that after so many years of unceasing loyalty to it, she would deliberately profit by the present time of world stress to undermine her Ally's position in China." Whether or not "Japan was so utterly lost to all sense of honour" we do not care to inquire; it is quite evident, however, that she had stolen "a march on her partners in the war." It might be true that Japan was "bound by her alliance with Great Britain" and that she had shown "unceasing loyalty to it" in the past. It is certainly true that she deliberately took advantage of the world stress "to undermine her Ally's position in China." For, to quote an editorial from the Japan *Mail*, "if it is Japan's settled policy to dominate and control China and to achieve the hegemony of Eastern Asia, this appears to be an ideal opportunity. The hands of Europe are tied. The hands of the United States are folded in peace. China herself is impotent. Europe has set Japan a bad example. What is Japan that she should rise superior to the common level and show a self-restraint, an unselfish regard for the rights of the other nations and peoples, when the whole civilised world is in a debacle of conflicting national ambitions and selfishness?"

III

ATTEMPT AT SECRECY

THE presentation by Japan, and later the unwilling acceptance by the Chinese Government almost forced at the point of bayonet, of the Twenty-one Demands, could easily be the most important event in the history of the Far East, greater in consequences than the Chino-Japanese War or the Russo-Japanese War. Its real significance—or, more correctly, the real significance of the Twenty-one Demands—was dimly clouded by the war in Europe at the time, and for that reason, it did not receive the full attention of the Western Powers as it surely merited. It was no wonder, therefore, that statesmen like Mr. Lloyd George should have frankly admitted in the Council of the Prime Ministers at the Versailles Peace Conference that he had never heard of the Twenty-one Demands before—that is, before the Chinese delegates brought them up for consideration at the Conference.

We have pointed out that the Japanese Minister threatened, after the presentation of the demands, to take more drastic measures, should they become known to the public, or were they communicated to the other Powers. It was highly necessary, of

course, that absolute secrecy should be observed, in order to prevent the other Powers, including Great Britain, Japan's ally, from knowing what was going on between China and Japan. In view of the fact that Japan chose such a moment to settle the "outstanding questions" with China when the European Powers were all engaged in the war, it was believed that the Japanese statesmen who were responsible for the coup had really thought that it was quite feasible to coerce the Chinese Government into acceptance, without being known to the other interested Powers at all. "In short, Japan put the sword at China's throat, and intended to impose star-chamber proceedings until China's assent was secured." To accomplish this, Japan used her wide-spread control and influence over international publicity relating to Far Eastern affairs. Thus for a number of weeks after the presentation of these demands everything remained clothed in impenetrable mystery, and despite every effort on the part of the foreign correspondents and native journalists in Peking, reliable details of what was occuring could not be ascertained. The Chinese Government did, of course, its best to guard the secret,* and the whole affair

* In the Communique which the Japanese Government issued, May 7, this assertion was made: "The Chinese Government, in disregard of the understanding which was made at the commencement of the negotiations to keep the proceedings of the conferences strictly secret, made public the Japanese proposals, in various exaggerated forms and endeavoured to stir up the feelings of the Powers against Japan."

would not have travelled beyond the limits of the Japanese Legation or the Chinese Foreign Office, had not the details of the demands been published first by an enterprising Japanese newspaper in Osaka in an extra edition, and then by the Japan *Mail,* a semi-official paper in Tokio, which on April 1 issued the complete text of the demands in English. As soon as the news leaked out, the foreign legations in Peking began to inquire unofficially as to what were the real demands and what was then actually going on behind the scene.* The Japanese Government used all the means at its disposal to prevent the disclosure of these demands. Several leading papers in Tokio were disciplined for publishing reports about the demands, and comment about them was for a time absolutely forbidden in Japanese newspapers. On January 28, 1915, Reuter's agent telegraphed from Tokio, saying that "the information originating at Peking and elsewhere purporting to outline the basis of negotiations between Japan and China is absolutely without

* The demands were made on January 18. Dr. Paul S. Reinsch, then American in Peking, related the following incident, apropos of Japan's desperate attempt of keeping the demands secret: "A Japanese newspaper reporter called at the (American) Legation on January 19 and related his troubles to one of the secretaries. The Japanese Minister refused absolutely, he said, to say anything about what had passed between him and the President night before. With his assumed naïveté the man possibly hoped to get a hint as to whether a 'leak' had occurred between the Chinese and the American Minister." Dr. Reinsch admitted, however, that on January 21, he first learned the astonishing nature of the Japanese "proposals."

foundation." Similar denials were given out by the Japanese-controlled news agencies in Europe and in the United States. What was still more apprehensive was the fact that the Japanese Government, through its representatives at London, Washington, Paris, Petrograd, *et al,* officially denied the authenticity of the news. We recall how freely the Japanese Ambassador at London had issued statements contradicting the newspaper reports and characterising them as insidious inventions. We recall also how easily the Japanese representative at Washington had given out assurances of Japan's anxiety for the maintenance of the Open Door policy in China and her desire for the preservation of the territorial integrity of the Chinese Republic. In the face of such a barrage of official denials and contradictions, it was no wonder that The Associated Press of the United States and The Wolff Agency in Europe should withhold from publication the text of the Twenty-one Demands, which was in their possession, being telegraphed to them from their correspondents in Tokio. The Associated Press, in view of the categorical denial by the Japanese Ambassador in Washington, went so far as to direct its representatives in Peking and Tokio to send "facts, not rumours."

But unfortunately for Japan, such journalistic tactics and diplomatic *dementi* could fool some of the people some of the time, not all the people all the time. Such tactics could not long impede the

desire of the world at large to know just what was going on behind the closed doors of Wai-chiao-pu, or long resist the search for information by the representatives of the foreign Powers in Peking who were frankly anxious to know the exact nature of the demands. Comprehending the immense importance of the matter and greatly stirred up by the newspaper reports in the Far East, Sir John N. Jordan, then British Minister in Peking, directly inquired of the Japanese Minister there about the demands. Mr. Hioki admitted that a memorandum had been presented to the Chinese Government, but assured his British colleague that only eleven points, instead of twenty-one, were raised and that they did not infringe upon China's political independence, territorial integrity, or the rights of other foreign nations in China. In the light of the later events, and of the original demands now known, what the Japanese Minister had said to the British representative bore little resemblance to truth. But this was not the only instance where Japan failed to give the true story of the matter. The idea that only eleven demands were made upon China was sedulously propagated through the Japanese Embassies in Paris, London, Washington, and Petrograd.

In this connection, it may add that the *Far Eastern Review,* at that time a zealous supporter of China and her sovereign rights, made a pertinent comment apropos of Japan's attempt at secrecy, which deserves to be quoted:

"Notwithstanding all the efforts to keep the terms of the demands secret their general tenor was telegraphed to Great Britain and America by newspaper correspondents in Peking. To counteract the effect of this inconvenient disclosure of its designs the Japanese Government took the extremely risky step of denying that it had presented twenty-one demands to China. The Japanese embassies abroad, while at first denying knowledge of the demands, ultimately issued statements that all reports from Peking were gross exaggerations inspired by Germany and that as a matter of fact only eleven demands of an innocuous character had been presented. What purported to be a complete list of the demands was supplied to the Governments of Great Britain, America, France and Russia. From this edition of demands those to which the Treaty Powers could take most exception were carefully excluded. Many people have found it hard to believe that Japan should be so foolish as to endeavour in the first instance to prevent the demands from being divulged, and in the second to seek, after they had become known, to delude the other nations interested as to their extent and character. It must be admitted that it is difficult to understand why statesmen with such a reputation for astuteness as the Japanese should adopt measures so futile and so puerile, but there is no escaping from the facts. Japan deliberately took a course which reflects upon her trustworthiness and which has convinced many that her most solemn assurances must be received with the greatest reserve."

The truth of the matter, however, was that the demands contained in the Fifth Group in particular were so many infringements upon the treaty rights of the foreign Powers in China, so many violations of China's sovereignty, and so many breaches of the Open Door policy, that, if known, they were bound to arouse such serious objections from all the Powers as to spoil the transaction altogether. This the Japanese Government did not like to see happening, much preferring to risk its own honest reputation and its own moral position among the family of nations. When it became officially known that the demands were really twenty-one in number, and not eleven, the Japanese Government was resourceful enough to say that those demands in the Fifth Group expressed Japan's wishes only, and that they were not presented as demands at all. While such an official explanation might be deemed as sufficient to cover up a multitude of sins, it was certainly not convincing enough to leave no room for doubt. The Chinese Government flatly contradicted this explanation, when it pointed out that "the proposals in this Fifth Group were presented to the Chinese Government as demands and not as 'wishes.'" Even granting that the contention of the Japanese Government was valid that the seven "points" in the Fifth Group were merely "wishes," then the other Powers should have been informed of thirteen, instead of eleven, demands, inasmuch

as there were twenty-one demands altogether. Whether it was due to bad calculation or to other reasons that only "eleven points" were officially given out by the Japanese Government, is a question which answers itself.

IV

THE TWENTY-ONE DEMANDS ANALYSED —GROUP I

SO much for the procedure in the presentation of the Twenty-one Demands and the oblique methods which the Japanese Government had seen fit to employ for the purpose of keeping them secret. It now remains for us to review seriatim the demands themselves and to follow the tortuous course of diplomatic negotiation.

The demands of the First Group called upon the Chinese Government (1) to give "full consent" to all matters which the Japanese Government might arrange with the German Government in regard to the disposition of German rights, interests, and concessions in Shantung; (2) to engage not to alienate "to a third Power" any territory within Shantung or any island along its coast; (3) to consent to Japan's building a railway from Chefoo or Lungkow to join the Shantung (from Kiao-chow to Tsinan-fu) Railway; and (4) to open "important cities and towns in the Province of Shantung as commercial ports."

In this Group of demands, quite a few interesting points were involved. Imprimis, Japan seemed to have completely ignored Great Britain, her ally, and

her partner in the Tsingtao expedition. The capture of the German stronghold in Shantung was not due to one man or one nation's work. It was the accomplishment of the joint forces of the two countries. How, then, could the Japanese Government alone, evidently without the knowledge of the British Government, proceed to negotiate with the Chinese Government for the succession to the German rights and properties in Shantung, which were captured by the joint forces of the two nations? The fact that British soldiers had co-operated with Japanese forces in the reduction of Tsingtao was completely ignored or forgotten. Secondly, it may be noted that, in making these demands relating to Shantung, Japan presumably proceeded on the theory that she succeeded, after the expulsion of Germany from the said province, to all the rights, privileges, and concessions previously enjoyed by Germany. As a matter of fact, however, Japan demanded more than what Germany had enjoyed before the war. The request for the right to build a railway by Japan from Chefoo or Lungkow to connect the trans-Shantung line, for instance, testified to this fact. And in the third place, Japan seemed to have entirely ignored the fact that the most important subject-matter of the First Group of demands—the disposition of German concessions in Shantung—related to the post-bellum settlement, and as such, it should be left over for negotiation by all the interested Powers at the forthcoming Peace Conference. Was

Japan at all sure then that the Allies were going to win the war? It seemed that she had taken for granted that Germany was as good as vanquished. And finally, it must be observed, the demand requiring China not to cede or lease to a third Power any territory in the Province of Shantung or any island on its coast was most derogatory of China's sovereignty. It brought us back to the days of international scramble towards the end of the nineteenth century when Japan and the leading European nations vied with one another for territorial concessions from China. The demand was made worse for the reason that "a third Power" meant to exclude Japan, thus leaving herself free to take hold of anything in Shantung or along its coast.*

We notice that the demands in the First Group were introduced by a preamble which said as much as that the demands were intended for "maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations." Studying them in their true light, we have failed to see how they could contribute to the maintenance

*"One of Japan's demands in this Group evidently was obliquely aimed at the United States of America—the article asking that China will not cede or lease to a *third* Power (meaning any Power except Japan) any territory or island in Shantung or on its coast. For many years the American Asiatic squadron has used Chefoo as a base for summer practice, and several times a project for the United States to lease that port for a naval base and coaling station has been mooted."—T. F. Millard, "Our Eastern Question."

of peace in Eastern Asia or to the improvement of the neighbourly relations of the two countries. On the very contrary, we perceive that they were destined to disturb the political tranquillity in the Far East and the friendly relations between the two governments. It is easy to see how the Japanese Government, with sugar-coated words of peace and friendship, essayed to hide the grim and sinister realities. The Chinese Government was called upon to give full consent to whatever Shantung arrangement that Japan might make with Germany; to pledge not to cede or lease any territory in Shantung to a third Power; to grant to Japan the right of constructing a railway from Chefoo or Lungkow to connect the Shantung Railway; and to open important cities and towns in the province for foreign (which means for Japanese) trade and residence.* If the general peace in Eastern Asia and the friendship between China and Japan depended upon the acceptance by the Chinese Government of these demands, it is evident, then, that Japan was to be bought for her willingness to maintain peace and to continue friendly relations with her neighbour. "It was palpable that the whole of the demands were intended to extend the rights and interests of Japan

* The Chinese Official Statement says on this point: "This was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the Far East."

without securing a quid pro quo of any kind for China." It was equally palpable that the acceptance of these demands was a necessary part of the price for her to preserve peace in the Far East.

The real significance of the First Group of demands cannot be realised until one takes into consideration the railway situation in Northern China. In the first place, Japan desired to succeed to the German rights and concessions in Shantung, among which was included the trans-Shantung Railway, known as the Kiao-chow-Tsinanfu Railway. Germany had also the right, by virtue of the notes exchanged, December 31, 1913, of constructing a railway from Kaomi, and, passing through I-chow-fu and I-hsien, terminating at Hanchuang, there connecting with the Tien-tsin-Pukow Railway; and another line starting from Tsinanfu to connect the Peking-Hankow Railway at a place between Shunteh-fu and Hsin-hsiang-hsien. To both lines Japan claimed to succeed. Now, these railways together with the other concessions in Shantung, "were the fruits of sixteen years of German aggression." "Their transfer to Japan means that the Teutonic methods, which enabled Germany to dominate and exploit the province, will pass into the hands of the Power with a great military base already standing on Chinese soil at Port Arthur."

But this is not all. Japan also claimed the right of building a railway from Cheefoo or Lungkow to join the Kiaochow-Tsinanfu Railway. The mean-

ing of this demand, considered in conjunction with Japan's right to succeed to the Kaiochow-Tsinanfu Railway and to the other two lines running into the provinces of Kiangsu and Chili, is that Japan would practically dominate North China through her control of the railways in the region. The situation becomes all the worse when it is remembered that Japan has been in control over the South Manchurian Railway and has been granted the right of constructing a number of railways in Inner Mongolia. The Chinese delegates at the Peace Conference at Versailles described the situation succinctly and accurately:

"Through the trans-Shantung railway, with its western or inland terminus at the provincial capital of Tsinanfu where it flanks the northern section of the Tientsin-Pukow Railway—built by the Germans—Japan will at once dominate the whole of Shantung as well as the northern half of this important trunk line. Then, by financing, constructing and supplying the materials for the first of the aforesaid 'two lines of railway,' *i.e.*, a line from the city of Kaomi, on the trans-Shantung railway, to a point strategically dominating the southern or British constructed section of the same Tientsin-Pukow Railway, Japan will practically master the great railroad linking Tientsin (the port of Peking) and North China with the Yangtze Valley and South China.

"Next, by financing, etc., the second of the 'two lines of railway,' *i.e.*, a line practically extending

the trans-Shantung Railway from Tsinanfu, where it will bisect the Tientsin-Pukow trunk line, to a point westward on the Peking-Hankow Railway, Japan will flank the other of the two trunk lines connecting Peking and North China with Central and Southern China.

"And when it is borne in mind that Japan also controls the railway systems in South Manchuria and Eastern Inner Mongolia, the extent of Japan's railway domination of China north of the great line of the Yangtze will be realised.

"This fact also must be noted. It means the isolation of Peking which will be cut off from Central and Southern China not only by land but by the sea-route, owing to the Gulf of Pechili—through which Peking can be reached *via* its port of Tientsin—being directly dominated by the Japanese at Port Arthur."

V

THE TWENTY-ONE DEMANDS ANALYSED —GROUP II

THE seven demands in Group II exact in favour of Japan and her nationals a series of preferential rights, interests and privileges in South Manchuria and Eastern Inner Mongolia calculated at once to increase the existing difficulties which seriously hamper effective Chinese administration in these two areas and to develop a situation facilitating the extension thereto of the territorial system which has transformed Korea into a Japanese province."

This is the language which the Chinese delegates at the Versailles Peace Conference employed in characterising the demands of the Second Group, which affected, one and all, most vitally the territorial integrity and administrative independence of China in South Manchuria and Eastern Inner Mongolia.

Furthermore, the demands of this Group were in complete contravention of the Open Door principle, violating a number of treaties existing between Japan and China, and between Japan and other Powers about China. This Group was generally interpreted, and correctly too, as an attempt by Japan

to consolidate her interests in South Manchuria, obtained as a result of the Russo-Japanese War, and to extend them into a new region, Eastern Inner Mongolia, which is, in the language of the Chinese Government, " a new expression in Chinese geographical terminology."

A more careful examination of the demands, however, revealed the fact that it was not consolidation, but extension, of Japanese interests in those regions that was really aimed at by the Japanese Government. This was made plain by the desire of the Japanese Government to extend the leases of the Kwantung peninsula and of the Antung-Mukden and the South Manchurian Railways, and to secure for its nationals political and economic rights and privileges never before enjoyed by them.

The demands were introduced by a queer preamble. It alleged that "the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia." This was contrary to the fact, for the Chinese Government had never acknowledged anything of the kind. The furthest that the Chinese Government went was its agreement in 1905 to the transfer to Japan of the Russian concessions in South Manchuria after the Russo-Japanese War.

As has been pointed out, the demands were incompatible with the principle of the Open Door. And the incompatibility becomes apparent when we

come to analyse the gredients of the demands. Japan demanded for her nationals the right to lease or own land in South Manchuria and Eastern Inner Mongolia; to travel and reside freely in those regions; to engage in business and manufacture of any kind whatsoever; to open mines, build railways, and to monopolise loans to China for development purpose in South Manchuria and Eastern Inner Mongolia. Aside from these privileges and rights which would immediately create for the Japanese a status unwarranted by the terms of the existing treaties between China and Japan and would thus give them a freedom of action which would be a serious restriction of the sovereignty of China and infringement of her administrative rights, the Chinese Government was called upon to hand over to the Japanese Government the control and management of the Kirin-Changchun Railway for a term of 99 years, and to employ none but Japanese for positions of financial and military advisers or instructors in South Manchuria and Eastern Inner Mongolia. That these demands were outrageous to the extreme could admit of no doubt. They meant to create for the Japanese such a privileged status in those regions that it would neither be in consonance with the Open Door policy nor in harmony with Japan's professed desire for the maintenance of the territorial integrity and political independence of the Chinese Republic.

It is a well-known fact that the extension of the

term of the leased territory had long been broached among the political circles in Tokio. In fact, the visit of Baron Fukushima, one time Governor-General of Port Arthur and Kwantung, to Peking in January, 1914, was attributed to his desire for the extension of the lease. His mission was a complete failure, for the determination of the Chinese Government not to extend the existing leases could not be moved. "Owing to the bitter experiences which China sustained in the past in connection with the leased portions of her territory, it has become her settled policy not to grant further leases nor to extend the terms of those now in existence." As the term of the leases would soon expire, something had to be done, and done quickly. Diplomacy is a tortuous course, which may not be able to arrive at results in the shortest time possible. The only alternative was that Japan tried to force an extension of the leases from the Chinese Government, which she could not secure through diplomatic persuasion. It was, therefore, no surprise that Japan should have preceded all other demands in the Second Group that of extension of the lease of Port Arthur and Dalny, and that of the South Manchurian railways. The Chinese Government was forced to abandon its own cherished hopes to regain control of these territories and properties at the expiration of their respective original terms of lease. The 25-year lease of Port Arthur and Dalny, the 36-year period of the South Manchurian

Railway, and the 15-year period of the Antung-Mukden Railway were, one and all, extended to 99 years! "The extension of these leaseholds means the perpetuation of an alien political system in South Manchuria that immediately menaces the territorial integrity and independence of China," observed the Chinese delegates at the Versailles Peace Conference. "Through Port Arthur—the most powerful citadel in continental Asia—and the commercial base of Dalny which is linked with the South Manchuria and Antung-Mukden lines, Japan politically and commercially dominates a region through which lies the 'historic road of invasions' into China. In the past, Asiatic invaders have entered the country from the North; and it was through the Manchurian 'gate' that the last invaders crossed into the great plains of Northern China. History and a sense of realities seem to suggest a view of the Japanese system in South Manchuria that cannot be reconciled with the security of the Chinese Republic."

When all is said, it is necessary to point out once more the serious nature of the right which Japan had claimed for her nationals to travel, to reside, to lease or own land, and to engage in the business and manufacture of any kind whatsoever, in South Manchuria and Eastern Inner Mongolia. In the first place, the Chinese Government, inasmuch as the people of Mongolia were not at all accustomed to foreign trade and residence, could not suffer the foreigners to travel or to do business in that region

without feeling great anxiety about their safety. Furthermore, to extend these privileges to the Japanese subjects would entail the extension of the rights of extraterritoriality to a large alien population, which would not only be a source of future trouble, but might also be a contributing cause whereby China was to lose jurisdiction over a large area of her territory. "Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands thereby endangering China's territorial integrity." Or, as an American writer observes, "it is obvious that if these were agreed to, Japanese state-aided enterprises could be dotted all over South Manchuria, and China would have no jurisdiction over the occupiers of the land. To all intents and purposes the areas occupied by the Japanese would be alienated from China, as with the growth of the Japanese communities it is certain that there would come a demand for the control of policing and other municipal functions. The Chinese authorities and police would be powerless to function, as extra-territoriality would bar them. Right of entry to land and premises could not be insisted upon by the Chinese police and other authorities and consequently the Chinese Government would lose jurisdiction over an area only limited by the extent to which the Japanese could appeal to the cupidity of the Chinese landowners. Moreover it would appear that by virtue of the most-favoured-nation

clause other nationalities would acquire whatever rights the Japanese secured. Clearly this would tend further to restrict China's jurisdiction and to increase the chance of complications." Indeed, if these rights and privileges were granted to the Japanese, but not extended to the nationals of the other Powers, then the Japanese would have a preferred position which would enable them to monopolise all the interests in the above-mentioned regions. If the same and similar rights and privileges were given to all foreigners, as they should be under the rule of the most favoured nation treatment and the principle of equal opportunity, then China's administrative autonomy over the territory would become a thing of the past. It was a veritable dilemma confronting the Chinese Government when it undertook to negotiate the demands of the Second Group.

VI

THE TWENTY-ONE DEMANDS ANALYSED —GROUP III

THE demands of the Third Group, relating to the Japanese interests in the Hanyehping Iron and Steel Works, betrayed at once the desire of the Japanese Government to control the biggest iron works in China and its ambition to monopolise the mineral resources of practically the entire Yangtze Valley.

According to the demands, the Hanyehping Company was to be converted into a Chino-Japanese joint concern, the rights and properties of which were not to be disposed of without the previous consent of the company, or the Japanese Government, which meant in this case one and the same thing. The Chinese Government, on the other hand, was asked to agree that the mines in the neighbourhood of those owned by the company were not to be worked by other persons outside of the company, without the consent of the Japanese Government. The "blanket" character of these demands was apparent. It is easily discernible that what Japan had really wanted was not a Chino-Japanese joint concern. A joint company could serve only as a means to the end which she had in view. She

wanted in the first place an absolute control over the largest iron works in China, so as to monopolise the product to the exclusion of all other Powers (including China, perhaps). She wanted then an exclusive right to operate the mines in the Yangtze Valley, conveniently and diplomatically styled as the mines "in the neighbourhood of those owned by the Hanyehping Company." It was pointed out at the time that these demands were in direct conflict with the recognised interests of Great Britain in the Yangtze Valley. "To accept joint Japanese control of the Yanyehping Company, the most successful enterprise in the country," said a British diplomat, "would mean establishing Japan at the very heart of the British sphere of interest."

In a highly picturesque language, another British writer put the situation thus: "When we reach Group III we touch matters that are not immediately vital but quite new in their type of audacity and which every one can to-day understand since they are politico-industrial. Group III, as it stands in the original text, is *simply the plan for the conquest of the mineral wealth of the Yangtze Valley* which mainly centres round Hankow because the vast alluvial plains of the lower reaches of this greatest of rivers were once on the floor of the Yellow Sea, the upper provinces of Hupeh, Hunan, Kiangsi being the region of prehistoric forests clothing the coasts, which once looked down upon the slowly-

receding waste of waters, and which to-day contain all the coal and iron."

The attention of the Japanese Government was repeatedly called to the fact that the Hanyang Arsenal, the Tayeh Iron Mines, and the Ping-hsiang collieries—called the Hanyehping Company generally for the sake of convenience—were private concerns. According to the Provisional Constitution of the Republic of China, the private property of the Chinese citizens cannot be interfered with by the Government. In other words, Chinese citizens are guaranteed the right of protection of their property and freedom to engage in any lawful occupation, with which the Chinese Government are precluded from interfering. It was declared, therefore, that the Chinese Government could not negotiate with Japan to make any disposal of the company without doing violence to the fundamental law of the land, or to convert it into "a joint concern of the two nations."

It may be interesting to note that, in the preamble which introduced the demands of this Group, the Japanese Government asserted that "Japanese financiers and the Hanyehping Company have close relations with each other at present." It also intimated in broad terms that these demands, looking towards the joint control of the Company and a Japanese monopoly of the mineral deposits in the heart of China, were made with no other purpose in view than that of advancing "the common interests of the two nations." Admittedly, the psychology

of the Japanese Government is difficult to understand. How could a Japanese control of the Hanyehping Company benefit China? And how could an intended monopoly by Japan of the mineral wealth of central China be made to serve the "common interests" of the two countries? In order to arrive at a fairly reasonable answer to these questions, and in order to understand, in concise language, the way in which the "Japanese financiers and the Hanyehping Company have come to close relations with each other," we reproduce here *in extenso* an editorial comment from the *Far Eastern Review,* April, 1915, apropos of the subject. It reads:

"The career of the Hanyehping Company, which comprises the Hanyehping iron works, the Pinghsiang coal mines, and the Tayeh iron mines, has been somewhat chequered. It has had recurring financial troubles and, influenced by Sheng Kung-pao, who has always been amicably disposed towards the Japanese, it has largely employed Japanese money to assist it over its difficulties. In the first instance a sum of Tls. 5,000,000 was borrowed from a German firm, but this was repaid later on by the Chinese Government. Japan appears to have first come upon the scene in 1902, when a contract was entered into between the Company and the Japanese Imperial Steel Foundry whereby the latter was to be supplied with iron ore from Tayeh for fifteen years. The Company was at this time suffering from insufficiency of funds, and

two years after making the contract with the Steel Foundry a sum of Tls. 3,000,000 was borrowed from the Yokohama Specie Bank. Other debts to Japanese concerns were contracted, and by 1912 the total amount outstanding was in the neighbourhood of Tls. 9,000,000. The financial condition of the Company showed no sign of improvement and in 1913 the sum of $15,000,000 Mexican currency was borrowed from the Japanese, who secured the right to appoint advisers and other officials. This is a brief history of the Company, showing how the Japanese have gradually won their way to a position in which they have some voice in the management. It is said that the Japanese have largely to thank Sheng Kung-pao for the hold they have gained over the concern. The shareholders, or a large section of them, have long been desirous of releasing the Company from its financial shackles, or at all events those riveted by Japan, and it was hoped that a sum sufficient to pay off the indebtedness to the Japanese could be borrowed from America or Great Britain. Influence was brought to bear, however, and this project was defeated. There was also some talk of nationalising the Company, but this also fell through.

"The preamble of the Hanyehping demands recites that the proposed arrangement is for the 'common interests' of China and Japan. It is difficult to conceive what arguments could be advanced to show that China's interests would be served by admitting Japan as a partner in an enterprise of such paramount importance. If it were necessary for China to secure the assistance of another nation in the development

of her steel industry it would be clearly advantageous for her to select a nation that had the benefit of long experience and expert knowledge. Without casting any reflection upon the Japanese it cannot be said that they possess the qualifications that would justify China in admitting them to partnership. Moreover, it is evident that the partnership would consist of the Japanese Government on the one hand and a Chinese Company on the other. The control of an industry upon which the greatness of so many countries is based, would assuredly pass into the hands of the Japanese and this is a possibility that no patriotic Chinese would contemplate without alarm. The interests of Japan, which, as is generally known, is badly in need of iron ore owing to the poverty of her own resources in this respect, would undoubtedly be served if she were admitted to partnership—the interests of China would equally as assuredly suffer.

"When attention is directed to the second article of the demand it is seen that not only does Japan want to gain control of the Hanyehping Company, but she wishes to prevent any other country from working mines in the provinces in which the Hanyehping properties are situated. The Tayeh mine is in Hupeh and the Pinghsiang coal mine is in Hunan. The expression that is used, 'mines in the neighbourhood of those owned by the Hanyehping Company' is comprehensive enough to enable Japan to veto any mining operations in either province. It may be recalled that when the question arose as to the meaning of the term 'parallel to the South Manchuria Railway' Japan insisted upon putting her own interpreta-

tion upon it, and it may safely be assumed that she would act similarly if any question arose in regard to mines in Hupeh and Hunan. It has to be borne in mind that these provinces, Hunan in particular, are immensely rich in mineral deposits and, with acceptable mining regulations, would present a splendid field for the investment of foreign capital. Japan now proposes to prevent the investment of foreign capital in this part of China. The demand is the more extraordinary in view of Japan's relationship with Great Britain. The alliance between the countries was contracted in order that their interests in the Far East should be protected. Great Britain has admittedly special interests in the Yangtze Valley, yet Japan proposes to render it impossible for British capital to be invested in a most important industry in this region. How can Japan reconcile this demand with her engagements with Great Britain and her often reiterated adherence to the principle of equal opportunity? It must be confessed that all the evidence points to a desire on the part of Japan to secure for herself the sole right to develop the mines of China. She has already secured a monopoly in South Manchuria and Shantung; she is demanding a monopoly in Hunan and Hupeh and Fukien. Even were this not directly opposed to the pledge that Japan has given to maintain the principle of the open door, such a monopoly would be most disastrous for China. Japan has no surplus capital of her own for investment in mining enterprises, and as she would scarcely be able to borrow money from other countries to work mines in China for her own benefit, the result of the monopoly would be that China's mining

resources would remain undeveloped. It seems hardly credible that Japan should seriously have presented demands that conflict so directly with the interests of the other Treaty Powers, but the fact that they have been presented remains. China has hitherto declined to take the Hanyehping demands into serious consideration, and it is to be hoped for her own sake as well as that of the Treaty Powers that she will be able to resist the endeavour being made to induce her to become a party to what can only be called an act of political bad faith."

The truth of the matter is that Japan, having very little coal or iron of her own, decided that the sooner she could get control of China's almost inexhaustible resources the better. Before she made the demand, Japan had, as has been pointed out in the passage reproduced in the above, already acquired considerable influence in the management of the Hanyehping Company, largely through the means of financial assistance. The great Tayeh iron mines, which have been considered as one of the richest in the country, had been drawn upon for supplies of iron ore for the Japanese Government Foundry at Wakamatsu (on the island of Kiushiu), and the rich coal mines at Ping-hsiang had supplied a good portion of fuel for the said foundry. Japan was, however, not satisfied with tit-bits, and taking advantage of the European War which absorbed the attention of the British Government, she decided that it would be best to seek a monopolistic control

of China's natural resources. Viscount Uchida, the present Japanese Minister of Foreign Affairs, declared at the opening of the Diet at Tokio, January, 1919: "We have to rely, in a large measure, upon the rich natural resources in China in order to assure our own economic existence." This same point was emphasised by Baron Makino, one of the Japanese delegates at the Versailles Peace Conference, when he declared: "China has the raw material: we have need for raw material and we have the capital to invest with China in its development for use by ourselves as well as by China." Taken together with Japan's demands on China, particularly those relating the Hanyehping Company now under consideration, these two statements by the responsible Japanese tell the unmistakable tale of Japan's economic ambitions in China. The Chinese delegates at the Peace Conference were, however, very emphatic in their reply, when they said: "China does not admit that her natural resources are necessary to assure the economic existence of Japan any more than the 'natural resources' of Alsace-Lorraine were necessary to assure the economic existence of Germany." China is, of course, incomparable with Alsace-Lorraine; but Japan is certainly another Germany.

VII

THE TWENTY-ONE DEMANDS ANALYSED —GROUP IV

OF all the demands which Japan had pressed upon China for acceptance, none looks at the first glance so innocuous, and yet reveals, upon close examination, so intimately the working of Japan's political mind, as the single demand contained in the fourth Group. The Japanese Government, "with the object of effectively preserving the territorial integrity of China," demanded that the Chinese Government should engage "not to cede or lease to a third Power any harbour or bay or island along the coast of China."

Made under the pretext of preserving China's territorial integrity, the demand appeared, therefore, to have a good deal of plausibility, which might easily be mistaken for Japan's honesty of purpose. The plausible character soon evaporates, however, when the pretext is carefully examined and found to be nothing more than the usual hypocrisy which has distinguished Japanese diplomacy in China in the last score of years. The innermost recess of the political minds of Japanese statesmen and diplomatists is penetrated, when we come to weigh the real meaning of the phrase "a third Power,"—a phrase

as vague as it is definite, though it may seem paradoxical to say. It is vague in the sense that it does not refer to any particular Power; it is very definite, for it cannot mean Japan herself. The phrase refers to any Power except Japan and China. In other words, while pronouncing her solicitude for China's territorial integrity, Japan was at the very same time reserving to herself the right to despoil it. It would be highly interesting to know, therefore, if Japan would consider it a violation of the territorial integrity of China, if she herself should one day force the Chinese Government to cede or to lease some harbour or bay or island along the Chinese coast. Japan's sincerity of purpose could be easily proved if she had frankly declared that no Chinese territory should be ceded or leased to any Power whatsoever, or if she had merely demanded that China should not alienate her coast line to any Power at all. Such a declaration, inasmuch as it would not be consistent with the sovereignty of China, would not, of course, be very agreeable to the Chinese Government. It would nevertheless serve to clear away the general suspicion as to the territorial ambitions which Japan has apparently entertained in China.

This was not the undertaking which Japan was anxious to obtain from China. A declaration such as along the lines suggested above would not only prevent any "third Power" from violating the territorial integrity of China, but would also debar Japan herself from the execution of her ambitious designs

in Fukien, in Shantung, and in Manchuria. Japan would not, of course, allow her hands tied in her dealings with China, and nothing would be more opposed to her set purpose and policy than to see herself debarred from opportunities of expansion and aggrandisement at the expense of her big but feeble neighbour. Thus, both the language and the manner in which the single demand of the fourth Group was made, strongly remind us of the Russian tactics of 1895. The three-Power intervention which Russia had engineered after the Chino-Japanese War against the seizure by Japan of the Liaotung peninsula was ostensibly undertaken for the protection of the integrity and independence of China. No one, however, seriously doubted that the real purpose of the intervention was to keep the Pacific door open for Russia herself. The occupation by Japan of the Liaotung peninsula would blight all the roseate hopes that the Muscovite statesmen had entertained for an ice-free port in the Far East. Three years later the fruit of the intervention was reaped when Port Arthur and Talienwan were leased to Russia for a term of twenty-five years. Following, perhaps, the same line of diplomacy, now Japan tried to force the declaration from the Chinese Government that it would not lease or cede any territory along the coast to a third Power, only to make the field clear for herself!

From the standpoint of the Chinese Government, the demand of the Fourth Group was a serious limi-

tation of its sovereignty. Mr. Hector C. Bywater, the brilliant author of "Sea-Power in the Pacific: A Study of American-Japanese Naval Problem," observed that "the presentation of such a demand presumed a Japanese protectorship over Chinese territory, and was therefore open to objection as it stood." In the official statement which the Chinese Government gave out apropos of the negotiation of the Twenty-one Demands, it was pointed out that, "as regards the single article of the Fourth Group and the preamble thereto, the Chinese Government held that they were inconsistent with Chinese sovereignty." The same view was shared by all those who have had the opportunity of examining the Twenty-one Demands in their true light.

Aside from this ill-concealed attempt on the part of Japan to assume a protectorship over Chinese territory, there was much more behind it. While it was difficult at the first glance to understand why such a demand should be made upon the Chinese Government, especially at the time when the whole world was engaged in war, and when there was no one Power in sight, but Japan herself, who would ever dare ask China to cede or to lease any harbour, bay, or island along her coast, it was comparatively easy to see the real motive behind it. It should be recalled that throughout the year 1914 there had been rumours in the Far East that the United States was invited by the Chinese Government to undertake the reorganisation of the Foochow Arsenal in the

Fukien Province. The enterprise was, it was alleged, finally entrusted to Bethlehem Steel Company. For the purpose of carrying out the said scheme, it was deemed necessary that the Bethlehem Steel Company should be granted the lease of a harbour adjoining to the arsenal. The story was officially denied, in Peking; Mr. John V. A. MacMurray, who was then Secretary of the American Legation in Peking, asserted that the story was entirely without foundation. But the Japanese Government was very much alarmed, and the Japanese people were equally excited—so much so that they deemed it necessary to extract from the Chinese Government an explicit assurance that such a scheme was not to be undertaken. The demand was the natural result. Although phrased in a general language, that China should not lease or cede any harbour or bay or island along her coast, the demand aimed particularly at the Fukien province.

That this was really the case is borne out by the notes exchanged between China and Japan respecting the Fukien province. "A report has reached me," said Mr. Hioki Eki, Japanese Minister in Peking, "to the effect that the Chinese Government has the intention of permitting foreign nations to establish, on the coast of Fukien province, dock-yards, coaling stations for military use, naval bases, or to set up other military establishments; and also of borrowing foreign capital for the purpose of setting up the above-mentioned establishments." The Japanese

Minister asked a categorical assurance from the Chinese Government. In reply, the Chinese Government stated that it had no intention of setting up military or naval establishment on the coast of Fukien province.

Thus analysed, the pretext that the single demand of the Fourth Group was made for the purpose of maintaining the territorial integrity of China appears in its true colour.

VIII

THE TWENTY-ONE DEMANDS ANALYSED —GROUP V

THE most drastic, outrageous, and derogatory of China's sovereignty, in comparison with which the Austrian demands to Serbia of 1914 paled almost into insignificance, was the Fifth Group of the demands, which were not admitted by the Japanese Government when the attention of the Western Powers was first drawn to them, and which were not included in the official communication of the Japanese Government, replying to the inquiries of the great Powers regarding the nature and the terms of the Twenty-one Demands. To say the least, these demands, if granted, would have reduced China to a vassal of Japan, by making the relations between the two countries similar to the existing relations between Great Britain and Egypt, or between Korea and Japan herself. Although the Chinese Government was forced to give way in the first four groups of demands, it stood absolutely firm on the fifth, and declined to consider them on the ground "that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportun-

ity." History knows of no combination of demands more sinister in motive and more outrageous in character than this Fifth Group, which Japan, a friendly Power, had presented on China, another friendly Power. And it may also be said that the course which the Japanese Government had pursued in concealing the demands of this group from the knowledge of the Western Powers, is admittedly one of mendacity and duplicity, for which history of modern diplomacy has but few parallels, if any.

According to the demands in the Fifth Group, the Chinese Government was to employ influential Japanese advisers in political, financial, and military affairs; to permit Japanese hospitals, churches (Is there any Japanese church in China?) and schools to lease and own land; to employ Japanese officers for the administration of the police department of important cities; to purchase from Japan a fixed amount of munitions of war, aside from establishing an arsenal in China to be under Japanese control and management; "to grant to Japan the right to construct a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hankow, and another line between Nanchang and Chao-chow;" to pledge not to use any foreign capital other than Japanese to work mines, build railways, and construct harbour works in the Fukien province; and finally to permit Japanese subjects to carry on missionary propaganda for the dissemination of Buddishm in China.

A formidable set of demands, indeed. To say that they constituted a sufficient *casus belli* is to put the case very mildly. Those who are at all acquainted with the nature of Austrian demands on Serbia, whose refusal to accept them *in toto* led to the outbreak of the European War in August, 1914, will readily agree that the Japanese demands on China, especially those of the Fifth Group, were hundred times more drastic, and that a disastrous war in the Far East was averted only by the extremely conciliatory spirit of the Chinese Government.

A well-known writer on Chinese questions said:

"The real purpose of the Japanese demands becomes unalterably clear, for in this group we have seen seven sketches of things designed to serve as the *coup de grace*. Not only is a new sphere—Fukien province—indicated; not only is the mid-Yangtze, from the vicinity of Kiukiang, to serve as the terminus for a system of Japanese railways, radiating from the great river to the coasts of South China; but the gleaming knife of the Japanese surgeon is to aid the Japanese teacher in the great work of propaganda; the Japanese monk and the Japanese policeman are to be dispersed like skirmishers throughout the land; Japanese arsenals are to supply all the necessary arms, or failing that a special Japanese arsenal is to be established; Japanese advisers are to give the necessary advice in finance, in politics, in every department—foreshadowing a complete and all

embracing political control. Never was a more sweeping programme of supervision presented, and small wonder if Chinese when they learnt of this climax exclaimed that the fate of Korea was to be their own." *

A more vicious assault upon Chinese sovereignty cannot be imagined!

We shall not, in this connection, go into the details of the demands which are in direct conflict with the principle of equal opportunity in China. This aspect of the question is dealt with at some length in "The Chino-Japanese Treaties of 1915," in which an attempt is made to bring out the strongest reasons why the 1915 treaties growing out of the Twenty-one Demands should be null and void. We need only to point out here that the proposal of joint administration by China and Japan of the Chinese police would be clearly an interference with the domestic affairs of the Republic, and consequently an infringement upon China's sovereignty. Besides this, the demand for an engagement by the Chinese Government to purchase a fixed amount of munitions from Japan or to establish a Chino-Japanese joint arsenal was such a clear encroachment of

* B. L. Putnam Weale, "The Fight for the Republic in China." The same author gave this as his opinion: "Every Chinese knew that, in the main, Group V. was simply a repetition of the measures undertaken in Korea after the Russo-Japanese War of 1905 as a forerunner to annexation; and although obviously in the case of China no such rapid surgery could be practised, the endorsement of these measures would have meant a virtual Japanese protectorate."

China's sovereignty that it was really difficult to see how one Power could without cause make such a demand upon another.* In respect to the appointment of advisers in political, financial, and military affairs, the policy of the Chinese Government, it may be said, has always been similar to that which has apparently guided the Japanese Government, appointing to positions of great importance the best qualified and most able men irrespective of their nationality. As a sovereign and independent nation, China could not allow her national policy being dictated to by an alien Power, no matter how desirous that Power might be of "maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations." For Japan to insist upon the Chinese Government employing Japanese, and

* The true significance of this demand can be best understood if we quote here the despatch of M. Krupensky, Russian Ambassador at Tokio, to his Government, under the date of October 16, 1917. The Russian diplomat writes: "In reply to my question as to the credibility of the rumours alleging that Japan is prepared to sell to the Chinese Government a considerable quantity of arms and munitions, Viscount Motono (then Japanese Minister of Foreign Affairs), confirmed them, and added that the Peking Government had promised not to use arms against the Southerners. It was evident from the Minister's words, however, that this promise possessed only the value of a formal justification of this sale, infringing as the latter does the principle of non-intervention in the internal Chinese feuds, proclaimed by Japan herself. . . . *It is most likely that the Japanese are aiming principally at obtaining the privilege of rearming the entire Chinese army, and at making China dependent in the future on Japanese arsenals and the supply of munitions from Japan.*

Japanese alone, as political, financial, and military advisers was to disregard the practical side of the question, to say the least. In spite of her advanced position in the family of nations, Japan has not yet found it possible to dispense with the services of the foreign advisers herself. She has a number of foreign advisers in her government service; and it is, therefore, questionable whether she is at all in a position to advise China.

The demand that Japan should be first consulted, if China were to borrow foreign capital for the purpose of working mines, building railways, and constructing harbour works and dock-yards in the Province of Fukien is easily understandable. It was based on the fear, as has been pointed out in the previous chapter, that the Chinese Government might make use of American capital in setting up military and naval establishments on the coast of the said province. Japan has claimed special interest in the province, on the ground of its geographical proximity to Formosa, a Chinese island ceded to Japan at the conclusion of the Chino-Japanese War in 1894-5. "Geographical propinquity" might in certain cases create a special interest, but the position which Japan has hitherto enjoyed in the Fukien province is that of a neighbour, not of a protector. Her demand, however, was nothing short of an absolute right of vetoing any attempt on the part of China to utilise the foreign capital to develop the Fukien province. It would be, therefore, not only

a denial of equal opportunity, but also an unwarranted limitation on China's sovereign rights.

Regarding the two articles relating to the acquisition of land for Japanese schools, hospitals, and churches, as well as the right of missionary propaganda, we can do no better than to quote the Chinese Official Statement, which defined the position of the Chinese Government in a language at once concise and comprehensive. These demands

"would have presented grave obstacles to the consolidation of the friendly feeling subsisting between the two people. The religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which they labour, Japanese monks would live with the Chinese, and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require to be extended to them under the system of extraterritoriality now obtaining in China. Moreover, a general apprehension exists among the Chinese people that these peculiar conditions favouring conspiracies for political purposes might be taken advantage of by some unscrupulous Chinese."

The most significant feature of the demands of the Fifth Group remains yet to be considered. This is no other than the desire of the Japanese Government to invade the British sphere of interest by demanding railway concessions in the Yangtze Valley. She demanded "the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou." Unquestionably, this demand for railway concessions in the Yangtze Valley conflicted with the existing agreements between China and Great Britain. It would come into conflict first with the Shanghai-Nanking-Ningpo Railway Agreement of March 6, 1908, Article XIX of which provided that if foreign capital were required to build the branch lines of the said railway, preference should be given to Great Britain (British and Chinese Corporation, Limited). It would then conflict with the Nanking-Hunan Railway Loan Agreement of March 31, 1914. Article II of the said agreement stipulated: "The loan is designed . . . secondly for the construction of a Government line of railway from Nanking to Nanchang through Ning-kwo-fu and Hwei-chou-fu, and with connection to Wu-hu and Kuang-te-chow: and from Nanchang to Pinghsiang to connect with the existing Government railway from Pinghsiang to Chuchow." And thirdly, it may be pointed out, the demand conflicted with certain engagement which the Chinese Government had

made on August 24, 1914, giving preference to the British and Chinese Corporation, Limited, for the projected line from Nanchang to Chaochowfu. "For this reason," the Chinese Official Statement emphasised, "the Chinese Government found themselves unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance." Is Japan an ally of Great Britain, and according to the terms of the alliance, is she not required to defend the common interests of both countries? The Japanese Minister in Peking could not have pressed upon the Chinese Government for acceptance of this demand without instructions from Tokio, and the Tokio Foreign Office could not have been ignorant of the fact that the railway lines demanded had already been conceded to Great Britain. The Chinese Government, faithful in its international engagements, made it very clear that the demand conflicted with its previous engagements with Great Britain, and therefore could not be granted. After all, one is quite justified, with this fact in view, in asking if Japan is really such a loyal ally as she has claimed to be.

In this matter of railway concessions, Japan's conscience was sorely touched. Realising that she could not after all ignore the engagements which the Chinese Government had already entered into with Great Britain, Japan revised the language of

the demand so as to make it inoffensive. Thus, in the list of revised demands, presented to the Chinese Government, April 26, 1915, Japan suggested that the demand for the railway concessions in the Yangtze Valley should be made the subject of an exchange of notes between the two countries. "If it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan." In the meantime, however, "the Chinese Government shall not grant the said right to any foreign Power, before Japan comes to an understanding with the other Power which is heretofore interested therein." The right referred to here was that of financing the construction of those railways mentioned in the original demand.

In the ultimatum, it was stated that the Fifth Group of demands was detached "from the present negotiation" and that it would be discussed "separately in the future." The ultimatum was delivered to the Chinese Government, at 3 p. m., May 7, and it was accepted the following day. The Japanese Minister in Peking objected to the phraseology of the Chinese note of acceptance and insisted that the demands of the Fifth Group, except the one relating to Fukien, which was to be made into an exchange of notes, should be specifically reserved for future negotiation. The Japanese Minister insisted that, following the words "Group V" there should be inserted the qualifying phrase "postponed for later

negotiation." The result is that the Fifth Group of demands remains to-day as "unfinished business, to be taken up at a future date."

It may also be added here that the Japanese Government, in answer to the inquiries from the western Powers, failed to make public the demands of the Fifth Group, and that when they became known, the Japanese Government referred to them merely as "wishes," "requests for friendly consideration" by China. In the statement issued by the Japanese Government, May 7, they were referred to as "propositions relating to the solution of pending questions and others." In answer to this tergiversation, the Chinese Government in its official statement, made it very clear that these demands of the Fifth Group were presented as "demands," not as "wishes," "requests," or "propositions." "The first four Groups were each introduced by a preamble, but there was no preamble or explanation to the Fifth Group. In respect of the character of the demands in this Group, however, no difference was indicated in the document between them and those embodied in the preceding Groups."

IX

A UNILATERAL NEGOTIATION

WHILE these demands were obviously not proper subjects for international negotiation, the Chinese Government, it is curious to say, consented, "in deference to the wishes of the Japanese Government," to open negotiations "on those articles which it was possible for China to consider." The Japanese Minister in Peking, owing to his eagerness to bring the whole matter to a successful conclusion before the world at large could have any knowledge of it, pressed the Chinese Government to agree to a daily conference. This the Chinese Minister of Foreign Affairs could not agree to, as it would not give him sufficient time to study the demands in entirety. And it was later mutually agreed upon that two conferences were to be held every week. "China approached the pending conferences in a spirit of utmost friendliness," to quote the Chinese official statement, "and with a determination to deal with all questions frankly and sincerely. Before negotiations were actually commenced, the Japanese Minister raised many questions with regard to the number of delegates proposed to represent China, and the number of conferences to be held in each week, and the method

of discussion. The Chinese Government, though its views differed from those of the Japanese Minister, yielded in all these respects to his contentions, in the hope of avoiding any delay in the negotiations. The objections of the Japanese Minister to the customary recording and signing of the minutes of each conference, which the Chinese Government suggested as a necessary and advisable precaution, as well as one calculated to facilitate future reference, were also accepted. Nor did the Chinese Government retaliate in any way when in the course of negotiations the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion."

The first conference was held in the Chinese Foreign Office in the afternoon of February 2, 1915, when the entire affair was still a mystery to the outside world. The Japanese Minister pressed for immediate acceptance, in principle, of the Twenty-one Demands *en bloc*. For this he advanced many reasons, one of which was that if the demands were accepted in principle at once, Count Okuma's position, it is ridiculous to say, would be endangered. That was, to be sure, an excellent argument for Count Okuma, then Premier of Japan, but one naturally fails to understand why China should sacrifice her sovereignty by acceding to these demands in order merely to promote the worthy Count's political career. Into the details of the negotiations we

do not propose to go, for they can be easily found in the official statement given out by the Chinese Government after the conclusion of the negotiations (see appendix I). We only wish to show the manner in which the negotiations had been conducted, or more accurately, dictated by Japan. We only want to point out the way whereby the Japanese Government, to use its own language, was determined to attain its ends by all means within its power.

Beginning from February 2, two conferences were regularly held each week between the Chinese Minister of Foreign Affairs and the Japanese Minister in Peking. As has been said, the Japanese Minister demanded the acceptance in principle of the entire Twenty-one Demands. This was absolutely declined by the Chinese Foreign Minister, who only ventured to express a general opinion on such proposals as were possible subjects for negotiation. On February 18, the Japanese Minister became more peremptory in manner and in speech. He insisted that the negotiations must be extended to cover the entire set of demands.* Out of an earnest desire to bring

* In this connection, it may be interesting to refer to the fact that Dr. Paul S. Reinsch, at that time American Minister in Peking, exerted his best effort to soften the demands. Upon learning that the Japanese Minister became more peremptory at the conference held on February 18, he sent a cable, inviting President Wilson's personal attention to the proposals, "which affected the rights and legitimate prospects of Americans in China." President Wilson, in a personal letter to Dr. Reinsch under the date of February 8, and therefore already on the way to Peking, before Dr. Reinsch cabled,

about an early settlement of the entire affair, the Chinese Government, while declining absolutely to negotiate on the demands in the Fifth Group, yielded to the Japanese wishes wherever it could and consented to negotiate on those demands which were compatible with China's sovereignty and her territorial integrity. The negotiations between the two Governments were for a long time going on apparently very smoothly. But at the conference held on March 9, while still pressing for a speedy acceptance in principle of the whole set of demands, Mr. Hioki verbally notified the Chinese Foreign Minister that unless a satisfactory settlement were soon reached, Japan would be compelled "to take steps that will surprise China and be unpleasant to Japan herself." This was, however, only a threat made by the Japanese diplomat on his own responsibility. On March 15, however, the same diplomat, apparently under instructions from his Government, conveyed to the Chinese Government an expression of appreciation of the frankness and sincerity of the Chinese representatives in the conduct of the negotiations. In the morning of March 17, Mr. Hioki fell down from his horse, and was

said in part: "I have had the feeling that any direct advice in China, or any direct intervention on her behalf in the present negotiations, would really do her more harm than good, inasmuch as it would very likely provoke the jealousy and excite the hostility of Japan, which would first be manifested against China herself." For this reason, therefore, President Wilson said: "For the present I am watching the situation very carefully indeed, ready to step in at any point where it is wise to do so."

hurt. As a result he was confined to his house for several days. That the Chinese Government was willing to expedite the negotiation and to meet the desires of the Japanese Government was further illustrated in the fact that, during the confinement of the Japanese Minister, the negotiations were continued at the Japanese Legation instead of at the Chinese Foreign Office. It was sincerely hoped by the Chinese Government that, in view of the great concessions already made by China, the Japanese Government would see a way of receding from its position on other points. But this hope for a change of heart by Japan was all in vain. With the conference of April 17, further negotiations were suspended by the Japanese Minister, and they were not resumed until April 26, when he surprised the Chinese Government with a new list of Twenty-four Demands (which see the appendix D). This he said, was the final proposal of his Government, and he requested the Chinese Government to accord its acceptance without delay. The Japanese diplodat was kind enough to add, however, that the leased territory of Kiaochow would be restored to China "at an opportune time in the future and under proper conditions," if the Chinese Government would agree to the new list of Twenty-four Demands without modification.

The set of the Twenty-one Demands was already formidable enough and far more than the Chinese Government could undertake to consider. Now to

add three more to the original set was to fill China's cup of bitterness to overflow. The new list of demands was ostensibly a revision of the original, representing modifications and concessions. But as a matter of fact, "these amended demands were concessions more in phraseology than spirit, by making it easier for China to accept them." The pill was sugarcoated a little, but that it was still the same bitter medicine was evident. To this new list of Twenty-four Demands, the Chinese Government replied on May 1, 1915, in a concise memorandum read to Mr. Hioki by the Chinese Minister of Foreign Affairs. With this reply Japan was not at all satisfied, for it was "contrary to the expectations of the Imperial Government." As an indication of dissatisfaction, the conditional offer of restoring the leased territory to China was withdrawn. The Japanese Minister intimated, as he had intimated once before, that if the Chinese Government should further refuse to accept the new list of Twenty-four Demands without modification, Japan would have to resort to the most drastic measures. "Upon receiving this intimation the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation, and represented to the Japanese Government that it would reconsider its position and make another attempt to find

a solution that would be more satisfactory to Japan, in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance."

At the same time, it must be clearly borne in mind, the events in Peking and Tokyo were moving with unusual rapidity, and the diplomatic tension in the capital of the Chinese Republic then was quite comparable to the famous "twelve days" before the outbreak of the War in Europe in August, 1914. Those who were in China then and breathed the foul atmosphere of Japan's military diplomacy instinctively felt that something terrible was to come about. It is easy to recall that at an early stage of the discussions of the Twenty-one Demands, a Japanese force of 30,000 strong was send to China, ostensibly for the relief of the Tsingtao and Manchurian garrisons. It was generally conceded that the movement was intended as a military demonstration against China, although the Japanese War Department suavely explained that the strengthening of Japan's garrisons at different parts in China was "merely a matter of military routine." On March 22, five hundred infantry, some artillery, and a squadron of cavalry, arrived at Fangtze, in Shantung, from Japan. Three thousand fresh troops arrived at Mukden, about the same time, where they were supposedly to guard the railway station, and three thousand more arrived at Dairen from Japan for no definite purpose. Tsi-nan-fu, the capital of

Shantung province, suddenly became a scene of Japan's military activity. In one of the conferences the Japanese Minister was asked for an explanation of the arrival in China of such a large number of Japanese troops. The Japanese diplomat would not say that the troops were reliefs, but he hoped that their presence would influence a speedy and satisfactory conclusion of the negotiations of the Twenty-one Demands. "The Japanese Minister stated at the conference, in reply to a direct question as to when the retiring troops would be withdrawn, that this would not be done "until the negotiations could be brought to a satisfactory conclusion." On March 23, the Chinese Government addressed an "amicably expressed" request to the Japanese Government for an explanation for this sudden influx of Japanese troops in China. The Chinese Government was told that "the despatch of troops to South Manchuria and Shantung," to use Baron Kato's own words, "is really for the relief of the Japanese garrisons, only a little earlier this year (1915) than previously." This statement might be a good explanation for the sudden despatch of troops to China for the relief of the Japanese garrisons several months in advance of the usual time, but it did not account for the fact that the retiring garrisons, for whose relief the new troops were sent, did not withdraw. Inasmuch as the number of Japanese garrisons in Peking, Tien-tsin and along the South Manchurian Railway, was fixed by treaty

terms with China, Japan had certainly no right to increase them at her sweet will without previous consultation with the Chinese Government.

That this sudden increase of Japanese troops in China was a minatory step taken in order to show the Chinese Government what might be expected in case of its further refusal to accept the Japanese demands was understood by men in the street. Its meaning could not be mistaken. The Chinese Government, on the one hand, protested in vain against this military demonstration which caused much excitement, indignation and alarm among the Chinese people, and on the other hand, it had to caution the people to remain calm and patient, so as to evert a rupture with Japan and to proceed smoothly with the negotiations which were thus rendered immensely difficult by the increase and promiscuous presence of Japanese troops in Chinese cities. It must be admitted that diplomatic negotiation under such circumstances was nothing more than a unilaternal affair. It was not at all negotiation; it was coercion, dictation. To give its true character, we beg to quote the excellent characterisation given by the Chinese delegates at the Peace Conference at Paris:

"It was a negotiation in which the number and virtually the personnel of China's representatives were dictated to her. It was a negotiation in which Japan refused to have official minutes of the proceedings

kept as proposed by China, with the result that the Chinese and Japanese representatives differed in their respective records of important declarations made by the latter, and, on basis of these differences, the Japanese Government in its ultimatum accused the Chinese Government of 'arbitrarily nullifying' statements alleged to have been made—but in fact never made—by the senior Chinese representative. It was a negotiation in the course of which—these are the words of the Chinese official statement issued at the time—'the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion! In a word, it was a negotiation in which Japan dominated and dictated the course and the terms of discussion."

As we have pointed out above, events in Peking then moved with unusual speed. Swiftly following the Chinese reply of May 1, with which the Japanese Government was not satisfied, "adequate steps" were taken to bring China to accept the demands *nolens volens*. Naturally, more troops were despatched to China, particularly to Manchuria, Shantung, North China, and Central China; and more war ships were ordered to Chinese waters. On May 3, it was decided in a cabinet meeting in Tokyo that an ultimatum should be issued. On May 4, the Genro sat in session for four hours to pass on the ultimatum. On the same day, the Kokusai News Agency, the semi-official agency of the Japanese

Government, reported from Tokyo that "further discussion or even the suggestion of more concessions to China's sensibilities would be incompatible with Japan's national dignity." On May 5, martial law was proclaimed in Kwantung peninsula, and the Japanese consul at Chefoo ordered all Japanese residents in that city to be prepared to leave in two days. On May 6, the Mikado sanctioned the ultimatum, which was duly cabled to the Japanese Minister in Peking. In the evening, the Japanese diplomat informed the Chinese Foreign Office that the long heralded ultimatum had arrived, and requested the Chinese Government to reconsider its position. On May 7, at 10:00 a. m. the main body of the second Japanese squadron left Sasebo for "an unknown destination." The battleship *Ikoma of* 13,750 tons, with Rear-Admiral Yamaya in command, left Kure for a Chinese port. Four Japanese men-of-war of small tonnage were sent to Shanghai from Formosa. And the battleships *Kurama* and *Chikuma* and fourteen destroyers were also given order to hold themselves in readiness to act at an hour's notice. With these military and naval forces in readiness for action, the Japanese Minister, accompanied by his staff, quietly called at the Chinese Foreign Office at 3:00 p. m. on the same day, and formally presented to the Chinese Foreign Minister the ultimatum. Contrary to the diplomatic usage, it was written in Japanese and not accompanied by a Chinese text. On May 8, a joint meeting of the Cabinet of the

Chinese Republic, the Council of State, and the Military leaders in the capital, was held in President's Palace, to consider the Japanese ultimatum which declared that "if no satisfactory reply is received before or at the designated time (6:00 p. m., May 9, 1915), the Japanese Government will take steps they deem necessary." With President Yuan in the chair, the joint meeting lasted more than four hours. After a long and careful consideration, it was finally decided to accept the ultimatum "with a view to preserving the peace in the Far East." The Japanese Minister was asked to appoint a day to call at the Foreign Office "to make the literary improvement of the text and sign the agreement as soon as possible." This was done on May 25, 1915.

But why an ultimatum? it may be asked. The case for such a drastic step was altogether too thin.*

* The Japan *Chronicle,* in an editorial entitled "Domestic Politics and the Twenty-one Demands," published in its weekly edition of June 9, 1921, throws a flood of light as to the reasons for which the ultimatum was conceived. The said editorial was based on another published in the *Herald of Asia* by its editor, Mr. Zumoto, a man who "has the courage of his opinions." The Japan *Chronicle* editorial reads:

"Mr. Zumoto, the veteran editor of the *Herald of Asia,* has more than once shown that he has the courage of his opinions even when they are against his countrymen, and in the latest issue of his journal he once again sets forth views which are not likely to increase his popularity in official circles. Discussing the Sino-Japanese Treaty of 1915 Mr. Zumoto notes that when Japan sent her ultimatum to China regarding acceptance of the Treaty she waived Group V., which contained the most outrageous claims on Chinese sovereignty, 'a procedure which at the moment excited much surprise and comment in diplomatic circles in Peking and elsewhere, for

On what could the ultimatum be based? Could it be on the fact that the Chinese Government had declined to grant proprietary rights in Manchuria and Mongolia to a nation which had no shadow of reason in asking for them, or that the Chinese Government preferred to buy its own munitions of war and choose its own advisers on the strength of their

since the principal obstacles had been removed there was no necessity to resort to an ultimatum to secure China's agreement.' Mr. Zumoto continues:

"'The truth is that the whole negotiations were conducted by the Okuma Government with a view to their possibly favourable impressions upon the domestic opinion in connection with the general election upon the issue of which depended its own fate. It was so arranged that the news of the presentation of the ultimatum was spread throughout the length and breadth of the country only a few days before the date of the election, the obvious purpose being to create an impression that the Empire was confronted with a grave crisis in its international relations calling for a united support of those in power. To strengthen this impression the Cabinet even went to the length of giving out orders for mobilising a couple of army divisions, a procedure which every well-informed observer knew what not at all necessary. These skilful manœuvrings had the desired effect upon the popular imagination, and the Cabinet was saved by a large majority at the polls.'

"Mr. Zumoto is not quite right in his facts. The General Election took place on March 25th and the ultimatum was telegraphed to China not before the election but more than a month after,—on May 6th. At the same time, Mr. Zumoto's statement that the demands on China were directed by political exigencies in Japan is of interest. It is a view which was advanced by us several times in the *Chronicle* and although resented by the Japanese papers, it also found expression among Japanese of the more thoughtful kind. Now that such a keen observer of Japanese politics as Mr. Zumoto confirms it, there remains little to be said on the other side. At the same time, it throws a very sinister light on Japan's foreign policy. The Japanese place great stress on 'sincerity.' What amount of 'sincerity' is to be found among statesmen who enter upon an aggressive foreign policy merely to establish their political position at home?"

qualification but without regard to their nationality? Could it be on the fact that the Chinese Government had put forward legitimate proposals in regard to Shantung or that it had failed to appreciate Japan's conditional offer of restoring the Kiao-chow leased territory? If China had done these things, or even more, who could accuse her of acting otherwise than what she was perfectly entitled to? Just a few days before the actual presentation of the ultimatum by the Japanese Minister, the North-China *Daily News*, a British newspaper in Shanghai, in an editorial of May 4, expressed its doubt that Japan would ever resort to such a step. "We have never shared that view, first because we refuse to believe that Japan would be so false to the spirit and letter of the Anglo-Japanese alliance as to commit an open act of piracy on China; secondly, because we are certain that Japan would never be so blind to her own interests as to quarrel simultaneously with Great Britain, France, America, and Russia." And two days later, May 6, in another editorial, when the threatened ultimatum was already in the hands of the Japanese Minister and was about to be presented to the Chinese Government, the belief was expressed that Japan would not take such a drastic step. "We repeat," says the editorial, "until the worst is indeed proved to have happened, we decline to believe that Japan can be so faithless to her Ally, Great Britain, as to meditate any real harm to the integrity of the one (China) or the rights of the other (Great Brit-

ain). . . . The word ultimatum has an ugly sound, and at the worst it means simply, 'Do this or I will force you to do so.' But this is altogether too outrageous to suppose Japan's intention is so brutal as this. . . . Germany might act thus, it is felt nothing else would be expected of her: but not Japan." We greatly admire the profound faith which the leading British journal in the Far East then had in the Japanese Government, and we are sorry that it was sadly disappointed. It was nevertheless good time to learn that Prussianism was not indigeneous in Europe nor was ultimatum an exclusively Germany luxury.

Throughout the negotiations of 1915, 24 meetings were held at the Chinese Foreign Office and lasting over more than three months—not a single European Power raised a voice of protest. This might be due to the war which had absorbed all the necessary time and attention of the European chancelleries. The question in regard to the Twenty-one Demands was raised in the British Parliament and the French Chamber of Deputies, but beyond the usual parliamentary tergiversation nothing of importance took place. The United States, then the only Power not yet involved in the war, and, therefore, more or less in a position to check the Japanese encroachment upon China, did nothing more than making an innocuous declaration at Washington and filing an official note to both the Chinese and the Japanese Governments. The note was despatched on May 15,

a week after the acceptance by the Chinese Government of the Japanese ultimatum. It was, however, said at the time that the declaration of the United States on May 7, was in some way responsible for the temporary withdrawal by Japan of the fifth group of the demands which were not included in the ultimatum but which were postponed for later negotiation.

X

CONCLUSION

HERE we have before us the complete story of the Twenty-one Demands. Those who have followed the above analysis and the tortuous course of negotiation, and those who prefer to examine the original demands, which can be found in the appendices, can judge for themselves as to their character and significance. It is now quite plain that they constitute a carefully studied and analysed economic and political programme which Japan, in her guise as a world Power, has meant to carry out in China in the time to come. At the very first glance, the Twenty-one Demands seem to be so many outrageous attacks upon the sovereignty of China, unwarranted, but perhaps not premeditated; for no one Power can, with any sense of due regard for international decency, press upon another Power, not an enemy but an acknowledged friend, demands of this character. A more careful examination of them reveals, however, the truth that they sum up Japan's Chinese policy, not unlike in principle to the one adopted by her in Korea during the short period preceding the extinction of Korean independence. Or, as one English writer has put it, the Twenty-one Demands constitute "a list designed

to satisfy every present and future need of Japanese policy and to reduce China to a state of vassalage."

When we go behind the real motives which has apparently prompted the Japanese Government, not only in presenting the Twenty-one Demands on China, but also in many other attempts at the domination of China, we can readily see that the motives are not merely political, but also economic in nature. In other words, the Japanese Government has been actuated as much by political considerations as by economic motives, seeking, under the influence of the iron hand of military men at home, political fruits in China, and trying at the same time to appease their hankerings by material benefits, the value of which can be instantly realised, even by men who think only in the terms of empire-building, conquest, and expansion. "The realisation that she was fast approaching the limit of her resources, the knowledge that her rapidly growing population was ever pressing on the margin of her surplus resources, the consciousness that the heavy burden of taxation on her people could be lifted only by the increase of her wealth elsewhere, and the necessity of seeking new fields in which the great energy of her people could have an outlet along agricultural and economic lines, all combined to direct her policy to the continent. And the continent meant China."

And because of the immense amount of natural resources at her disposal, China or the domination of China, economically and politically, becomes the na-

tional goal of sixty millions of tax-burdened Japanese. In China and her great wealth, Japan has seen the opportunity of correcting by a forced agreement what geography and nature have denied her. Japan has done that in Korea, and she has attempted to repeat it in China. Whether or not Japan can succeed in China as she has succeeded in Korea is another question. But this domination of the Chinese natural resources is Japan's paramount object. As we have already referred to in the above, both Baron Makino and Viscount Uchida gave it as their conviction that Japan's economic existence would depend largely upon the rich resources of China. On the other hand, the more reasonable view will be this, that Japan can purchase, and very easily too, all she needs from China. Being the richer of the two, China can be the seller, and Japan, being the poorer, ought to be the buyer. This arrangement seems to be of business nature, and promises to be of mutual benefit. But for Japan to force concessions from the Chinese Government with a view to controlling and monopolising them, to the exclusion of all others, and in a way that is obviously beneficial to Japan but detrimental to China, is too much like the proverbial knight in the Chinese legend who despoils the rich only to help himself.

Now to return once more to the Twenty-one Demands. Realising as we have realised the serious import of this formidable set of demands, and the multiple complications which were bound to arise

from the acceptance of them by China, we are really at a loss to understand how the Chinese Government could bring itself in 1915 to negotiate them with the Japanese Minister. A great majority of them, if not all, were of such a preposterous nature that no nation, which is in a position to defend its own interests and rights, could entertain even for a single moment. China was, of course, not in a position then, and is not now, to defend her own rights and interests. But this is not a strong excuse for her yielding to *force majeure*. Our wonder, therefore, is not that Japan had made such demands, for, driven somewhat by the economic necessities confronting her and animated by the desire for furthering her imperialistic ambitions born in three victorious wars (first against China, second against Russia and third against Germany), Japan would make such demands later if she had not made them then. Our wonder is that the Chinese Government, anxious for its own interests and jealous of its own rights, could be coerced to consider and negotiate such demands which were not proper subjects for international negotiations at all. If the alternative to refusal to negotiate or to accept was war, then in that case China would go into the war not without a cause. China's defeat would be predetermined; but it is questionable whether she could be called upon to accede to the terms of peace more onerous than the Twenty-one Demands.

The acceptance by the Chinese Government of the

ultimatum and the subsequent conclusion of the so-called Chino-Japanese treaties of 1915 embodying the majority of the Twenty-one Demands seemed to have brought to an end the most unsavory chapter of the history of diplomatic relations between Japan and China. The whole transaction, in view of its serious results most fruitful of difficulties upon the international relations in the Far East in the future, cannot be properly regarded, however, as a closed business. It is questionable that China's compliance with the Japanese ultimatum served upon her under the threat of war, and her subsequent signature to the treaties and notes of May 25, 1915, can be regarded as an estoppel which prevents her from reopening the question. The very fact that the Japanese Government has repeatedly attempted to persuade the Chinese Government to negotiate on the Shantung question, which is presumed to have been disposed of in accordance with the terms of the treaties and notes of 1915 is a clear indication that even Japan herself cannot refuse to recognise them in the nature of an unclosed business. Admittedly, the whole question apropos of the Twenty-one Demands requires judicial reconsideration, not only in the interest of future cordial relations between Japan and China, but also in view of the rights and privileges of the other treaty Powers in China which have been vitally affected by the demands. China brought up the question at the Peace Conference at Versailles, but it was disposed of as

most questions at the Conference were disposed of according to preconceived and prearranged ways and understandings. It has since been the avowed intention of the Chinese Government to submit the question to the League of Nations, although there has been no official statement on the subject. The meeting in Washington of nine Powers to consider questions relating to armament and to the Pacific and the Far East may furnish an excellent occasion for a judicial revision of the Twenty-one Demands. In another book, "The Chino-Japanese Treaties of May 25, 1915," are given the reasons for which the said treaties should be made null and void. Speaking metaphorically, the Twenty-one Demands were the flowers, while the Chino-Japanese treaties of 1915 were the fruits. Like the "forbidden apple" of Eden, the fruits of the year 1915 cannot be enjoyed by Japan without seriously menacing the peace and tranquillity of the political firmament of the Far East.

UNIV. OF CALIFORNIA

SUPPLEMENTARY NOTES

IN considering the Twenty-one Demands, we must not lose sight of two most interesting and significant incidents of Japan's internal politics: one was the resolution introduced by Mr. Kei Hara, formerly leader of the Opposition Party, and Premier of Japan, and the other was the resignation from the Chuseikai by Mr. Kiroku Hayashi, professor of International Politics in Keio University and M. P. for Kugawa Prefecture. Both were events of significance from the point of view of Japan's internal politics, and both arose in connection with the Twenty-one Demands.

NOTE I

A vote of want of confidence was introduced in the Japanese House of Representatives June 2, 1915, against Baron Kato, then Minister of Foreign Affairs, in connection with the negotiations with China on the Twenty-one Demands. It was introduced by Mr. Kei Hara, president of the Seiyukai; Mr. Ki Inukai, leader of the Kokuminto; Mr. Hajime Matoda, Mr. Kunisuke Okazaki, Mr. Takejiro Tokonami, Mr. Tsuneyemon Murano, Mr. Heikiehi Oguwai of the Seiyukai; Mr. Naochiko Seki, of the Kikuminto, and Mr. Kinya Sakomoto, of the Inde-

pendents. It took the form of a resolution and ran as follows:

"The negotiations conducted by the present cabinet with China were always conducted wrongly, injured the friendly relations between the two countries, brought the Powers' suspicion upon us, and only served to disgrace the honour of the Empire. The undersigned recognise that the negotiations not only failed to insure the foundation of peace in the Far East, but they have even left causes of future trouble. The cabinet Ministers in charge should bear the responsibility for the negotiations and resign."

The resolution was brought up at the regular sitting of the House, June 3, and was upheld by the combined forces of the Seiyukai, Kokuminto and some of the Pure Independents, against the three Government parties, the Rikken Doshikai, and the Independents.

NOTE II

Mr. Kiroku Hayashi, professor of International Politics in Keio University and M. P., for Kugawa Prefecture, left the Chuseikai for the reasons made public in an interview with a representative of the Japan *Advertiser*. Mr. Hayashi explained:

"My relations with the party were somewhat strained before the break as a result of the 'two division' question. I hesitated to leave the party sooner

on account of my personal connections with Mr. Ozaki, the Minister of Justice, but upon the late demands on China, I deem it most important, not because I am a lecturer at the Keio University but I owe it as a duty to the nation as one of its citizens. No sacrifices to the party ideals can be made and since I cannot refrain from setting forth my views my only course was to hand in my resignation."

Asked as to his views upon the demands, Professor Hayashi replied:

"We all know that the most important part of the demands were the 'fifth' i.e., the so-called 'desires.' All questions in the Diet have been, Why was not the fifth group included when the ultimatum was sent? I do not agree with the questioners or with Baron Kato. I want to ask, Why was such abominable demands in the first place framed by the Cabinet? Any commonsense man can see that China will never agree to such; it is absolutely an insult to our neighbour's sovereignty, and China's only course was to refuse, in order to 'save face.' Those desires if accepted were, in other words, that China should consent to be a protectorate of Japan. To say we tried to bind the two nations closer is as absurd as to say the moon is green.

"Another question I wish to set forth is, Why was not the fifth group made known to the Power when the others were being made? If the Minister thought that China would keep such a delicate question secret, he must be considered as raw in the art of diplomacy.

Keeping it a secret was only to be found out and to be embarrassed. If such were the desires of the Cabinet and if they were to open up China, they ought to have done it with a firm determination to have her consent by all means if Japan were to uphold her name and respect.

"Such is my view of the demands; to have thought that China was to negotiate secretly is a grave error; it is like stealing a pair of bells with one's ears shut. As to the other demands there need be no question since those are natural consequences and everybody foresaw them. Those demands do not infringe the integrity of China nor the 'open door' policy."

The interviewer further questioned him as to his opinion of the retrocession of Tsingtau.

"Upon this case, I believe it only reasonable to have it returned to China upon certain conditions."

APPENDIX A

INSTRUCTIONS HANDED AT TOKYO ON DECEMBER 3, 1914, BY BARON KATO, MINISTER OF FOREIGN AFFAIRS, TO MR. HIOKI, JAPANESE MINISTER IN PEKING, IN CONNECTION WITH THE TWENTY-ONE DEMANDS AND OFFICIALLY PUBLISHED AT TOKYO, JUNE 9, 1915

In order to provide for the readjustment of affairs consequent on the Japan-German War and for the purpose of ensuring a lasting peace in the Far East by strengthening the position of the Empire, the Imperial Government have resolved to approach the Chinese Government with a view to conclude treaties and agreements mainly along the lines laid down in the first four Groups of the appended proposals (the Twenty-one Demands). Of these, the first Group relates to the settlement of the Shantung question, while the second Group has for its chief aim the defining of Japan's position in South Manchuria and Eastern Inner Mongolia, that is to say, securing at this time from the Chinese Government full recognition of Japan's natural position in these regions absence of which has hitherto been the cause of various questions tending to estrange the feelings of the two peoples towards each other. The object of the third Group is to safeguard the best interest of the Han-Yeh-Ping Company, with which Japanese capitalists are closely identified. It will thus be seen that there is nothing especially new in our proposals em-

bodied in the foregoing three Groups, while as regards the fourth Group, it is only intended to emphasise the principle of China's territorial integrity, which has been so often declared by the Imperial Government.

Believing it absolutely essential, for strengthening Japan's position in Eastern Asia as well as for preservation of the general interests of that region, to secure China's adherence to the foregoing proposals, the Imperial Government are determined to attain this end by all means within their power. You are, therefore, requested to use your best endeavour in the conduct of the negotiations, which are hereby placed in your hands.

As regards the proposals contained in the fifth Group, they are presented as the wishes of the Imperial Government. The matters which are dealt with under this category are entirely different in character from those which are included in the first four Groups. An adjustment, at this time, of these matters some of which have been pending between the two countries, being nevertheless highly desirable for the advancement of the friendly relations between Japan and China as well as for safeguarding their common interests, you are also requested to exercise your best efforts to have our wishes carried out.

It is very likely that in the course of these negotiations the Chinese Government desire to find out the attitude of the Imperial Government on the question of the disposition of the leased territory of Kiaochow Bay. If the Chinese Government will accept our proposals as above-stated, the Imperial Government may, with due regard to the principle of China's territorial

integrity and in the interest of the friendship of the two countries, consider the question with a view to restoring the said territory to China, in the event of Japan's being given free hand in the disposition thereof as the result of the coming peace conference between Japan and Germany. As, however, it will be absolutely necessary, in restoring the said territory to China, to lay certain conditions such as the opening of the territory for foreign trade, establishment of a Japanese settlement, etc., you will ask for further instructions when you propose to declare to the Chinese Government the willingness of the Imperial Government to consider the question.

APPENDIX B

JAPAN'S ORIGINAL DEMANDS

Translations of Documents Handed to His Excellency the President, Yuan-Shih-Kai, by His Excellency Mr. Hioki, the Japanese Minister, on January 18, 1915.

I

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations agree to the following articles:

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third Power under any pretext.

Article 3. The Chinese Government consents to Japan's building a railway from Chefoo or Lungkow to join the Kiaochow-Tsinanfu Railway.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

II

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

Article 1. The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

Article 2. Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

Article 4. The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

Article 5. The Chinese Government agrees that in

respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:

(*a*) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(*b*) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

Article 6. The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

Article 7. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this Agreement.

III

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Company, have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:

Article 1. The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that with-

out the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

Article 2. The Chinese Government agrees that all mines in the neighbourhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

IV

The Japanese Government and the Chinese Government with the object of effectively preserving the territorial integrity of China agree to the following special article:

The Chinese Government engages not to cede or lease to a third Power any harbour or bay or island along the coast of China.

V

Article 1. The Chinese Central Government shall employ influential Japanese as advisers in political, financial and military affairs.

Article 2. Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

Article 3. Inasmuch as the Japanese Government and the Chinese Government have had many cases of

dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

Article 4. China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent or more) or what is needed by the Chinese Government or that there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

Article 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

Article 6. If China needs foreign capital to work mines, build railways and construct harbour-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

Article 7. China agrees that Japanese subjects shall have the right of missionary propaganda * in China.

* Refers to preaching Buddhism.

APPENDIX C

THE INCORRECT VERSION OF JAPAN'S DEMANDS AS COMMUNICATED BY THE JAPANESE GOVERNMENT TO THE OTHER POWERS IN RESPONSE TO THEIR INQUIRIES

I. In relation to the Province of Shantung:
   1. Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests and concessions, which in virtue of treaties or otherwise Germany possesses in relation to the Province of Shantung.
   2. Engagement not to alienate or lease upon any pretext the Province of Shantung or any portion thereof and any island lying near the coast of the said province.
   3. Grant to Japan the right of construction of a railway connecting Chifu or Lungkow and the Tsinan-Kiaochow railway.
   4. Addition of open marts in the Province of Shantung.

II. In relation to South Manchuria and Eastern Inner Mongolia.
   1. Extension of the terms of the lease of Kwangtung, the South Manchuria Railway, and the Antung-Mukden Railway.
   2. (A) Acquisition by the Japanese of the right of residence and ownership of land.

(B) Grant to Japan of the mining rights of mines specified by Japan.

3. Obligation on the part of China to obtain in advance the consent of Japan if she grants railway concessions to any third Power, or procures the supply of capital from any Power for railway construction or a loan from any other Power on the security of any duties or taxes.
4. Obligation on the part of China to consult Japan before employing advisers or tutors regarding political, financial or military matters.
5. Transfer of the management and control of the Kirin-Changchun Railway to Japan.

III. Agreement in principle that, at an opportune moment in the future, the Hanyehping Company should be placed under Japanese and Chinese co-operation.

IV. Engagement in accordance with the principle of the maintenance of the territorial integrity of China, not to alienate or lease any ports and bays on, or any island near, the coast of China.

APPENDIX D

JAPAN'S REVISED DEMANDS

Japan's Revised Demands on China, twenty-four in all, presented April 26, 1915.

GROUP I

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations, agree to the following articles:

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. (Changed into an exchange of notes.)

The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article 3. The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chefoo-

Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchange of Notes.)

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

GROUP II

The Japanese Government and the Chinese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

Article 1. The two contracting Powers mutually agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and the Antung-Mukden Railway, shall be extended to 99 years.

(Supplementary Exchange of Notes.)

The term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement that it may be redeemed by China after 36 years after the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway

shall expire in the 96th year of the Republic or 2007.

Article 2. Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Article 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities pass-ports which they must procure under the existing regulations, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese consul. Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Article 4. (Changed to an exchange of notes.)

The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in South Manchuria, apart from those

mining areas in which mines are being prospected for or worked; until the Mining Ordinance is definitely settled methods at present in force shall be followed.

PROVINCE OF FENG-TIEN

Locality	*District*	*Mineral*
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	Pen-hsi	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	T'ung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liao-yang to Pen-hsi	Iron

PROVINCE OF KIRIN

(*Southern portion*)

Sha Sung Kang	Ho-lung	C. & I.
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

Article 5. (Changed to an exchange of notes.)

The Chinese Government declares that China will hereafter provide funds for building railways in South Manchuria; if foreign capital is required, the Chinese Government agrees to negotiate for the loan with Japanese capitalists first.

Article 5a. (Changed to an exchange of notes.)

The Chinese Government agrees that hereafter, when a foreign loan is to be made on the security of the taxes of South Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Central Government), it

will negotiate for the loan with Japanese capitalists first.

Article 6. (Changed to an exchange of notes.)

The Chinese Government declares that hereafter if foreign advisers or instructors on political, financial, military or police matters, are to be employed in South Manchuria, Japanese will be employed first.

Article 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers. If, in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers, in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Convention, remain in force.

1. The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of Eastern Inner Mongolia, China must negotiate with the Japanese Government first.

2. The Chinese Government agrees that China will herself provide funds for building the railways in Eastern Inner Mongolia; if foreign capital is required, she must negotiate with Japanese Government first.

3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial

Ports. The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

GROUP III

The relations between Japan and the Hanyehping Company being very intimate, if those interested in the said Company come to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that, without the consent of the Japanese capitalists China will not convert the Company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

GROUP IV

China to give a pronouncement by herself in accordance with the following principle:

No bay, harbour, or island along the coast of China may be ceded or leased to any Power.

NOTES TO BE EXCHANGED

A

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang

line, the Nanchang-Hangchow railway, and the Nanchang-Chaochow railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang railway, a railway from Nanchang to Hangchow and another from Nanchang to Chaochow, the Chinese Government shall not *grant* the said right, to any *foreign Power* before Japan comes to an understanding with the other Power which is heretofore *interested* therein.

NOTES TO BE EXCHANGED

The Chinese Government agrees that no nation whatever is to be permitted to construct, on the coast of Fukien Province, a dock-yard, a coaling station for military use, or a naval base; not to be authorised to set up any other military establishment. The Chinese Chinese Government further agrees not to use foreign capital for setting up the above mentioned construction or establishment.

Mr. Lu, the Minister of Foreign affairs, stated as follows:

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.

2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Gov-

ernment shall forthwith give its consent thereto.

3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms or that of establishing a joint arsenal.

Mr. Hioki, the Japanese Minister, stated as follows:

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.

APPENDIX E

CHINA'S REPLY TO REVISED DEMANDS

China's Reply of May 1, 1915, to the Japanese Revised Demands of April 26, 1915.

GROUP I

The Chinese Government and the Japanese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations agree to the following articles:

Article 1. The Chinese Government declare that they will give full assent to all matters upon which the Japanese and German Governments may hereafter mutually agree, relating to the disposition of all interests, which Germany, by virtue of treaties or recorded cases, possesses in relation to the Province of Shantung.

The Japanese Government declare that when the Chinese Government give their assent to the disposition of interests above referred to, Japan will restore the leased territory of Kiaochow to China; and further recognise the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany.

Article 2. The Japanese Government consent to be responsible for the indemnification of all losses occasioned by Japan's military operation around the leased territory of Kiaochow. The customs, telegraphs and

post offices within the leased territory of Kiaochow shall, prior to the restoration of the said leased territory to China, be administered as heretofore for the time being. The railways and telegraph lines erected by Japan for military purposes are to be removed forthwith. The Japanese troops now stationed outside the original leased territory of Kiaochow are now to be withdrawn first, those within the original leased territory are to be withdrawn on the restoration of the said leased territory to China.

Article 3. (Changed to an exchange of notes.)

The Chinese Government declare that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article 4. The Chinese Government consent that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists for a loan.

Article 5. The Chinese Government engage, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchange of Notes.)

The places which ought to be opened are to be chosen, and the regulations are to be drafted by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

Article 6. If the Japanese and German Governments are not able to come to a definite agreement in

future in their negotiations respecting transfer, etc., this provisional agreement contained in the foregoing articles shall be void.

GROUP II *

The Chinese Government and the Japanese Government, with a view to developing their economic relations in South Manchuria agree to the following articles:

Article 2. Japanese subjects in South Manchuria may, by arrangement with the owners, lease land required for erecting suitable buildings for trade and manufacture or agriculture enterprises.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Article 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities pass-ports which they must procure under the existing regulations, shall also observe police rules and regulations and pay taxes in the same manner as Chinese. Civil and criminal cases shall be tried and adjudicated by the authorities of the defendant nationality and an officer can be deputed to attend the proceedings. But all cases purely between Japanese subjects and mixed cases between Japanese and Chinese, relating to land or disputes arising from lease contracts, shall be tried and adjudicated by Chinese Authorities and the Japa-

* The six articles which are found in Japan's Revised Demands of April 26, 1915, but omitted herein, are those already initialled by the Chinese Foreign Minister and the Japanese Minister.

nese Consul may also depute an officer to attend the proceedings. When the judicial system in the said Province is completely reformed, all the civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

RELATING TO EASTERN INNER MONGOLIA

(To be Exchanged by Notes)

1. The Chinese Government declare that China will not in future pledge the taxes, other than customs and salt revenue of that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and Jehol Intendency, as security for raising a foreign loan.

2. The Chinese Government declare that China will herself provide funds for building the railways in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency; if foreign capital is required, China will negotiate with Japanese capitalists first, provided this does not conflict with agreements already concluded with other Powers.

The Chinese Government agree, in the interest of trade and for the residence of foreigners, to open by China herself certain suitable places in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency, as Commercial Marts.

The regulations for the said Commercial Marts will be made in accordance with those of other Commercial Marts opened by China herself.

GROUP III

The relations between Japan and the Hanyehping Company being very intimate, if the said Company

comes to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give their consent thereto. The Chinese Government further declare that China will not convert the company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

Letter to be addressed by the Japanese Minister to the Chinese Minister of Foreign Affairs.

Excellency: I have the honour to state that a report has reached me that the Chinese Government have given permission to foreign nation to construct, on the coast of Fukien Province, dock yards, coaling stations for military use, naval bases and other establishments for military purposes; and further, that the Chinese Government are borrowing foreign capital for putting up the above-mentioned constructions or establishments. I shall be much obliged if the Chinese Government will inform me whether or not these reports are well founded in fact.

Reply to be addressed by the Chinese Minister of Foreign Affairs to the Japanese Minister.

Excellency: I have the honour to acknowledge the receipt of your Excellency's Note of ——. In reply I beg to state that the Chinese Government have not given permission to foreign Powers to construct, on the coast of Fukien Province, dock yards, coaling stations for military use, naval bases or other establishments for military purposes; nor do they contemplate to borrow foreign capital for putting up such constructions or establishments.

APPENDIX F

MEMORANDUM

Read by the Minister of Foreign Affairs to Mr. Hioki, the Japanese Minister, at a Conference held at Wai Chiao Pu, May 1, 1915.

The list of demands which the Japanese Government first presented to the Chinese Government consists of five groups, the first relating to Shantung, the second relating to South Manchuria and Eastern Inner Mongolia, the third relating to Hanyehping Company, the fourth asking for non alienation of the coast of the country, and the fifth relating to the questions of national advisers, national police, national arms, missionary propaganda, Yangtse Valley railways, and Fukien Province. Out of profound regard for the intentions entertained by Japan, the Chinese Government took these momentous demands into grave and careful consideration and decided to negotiate with the Japanese Government frankly and sincerely what were possible to negotiate. This is a manifestation to Japan of the most profound regard which the Chinese Government entertains for the relations between the two nations.

Ever since the opening of the negotiations China has been doing her best to hasten their progress, holding as many as three conferences a week. As regards the articles in the second group, the Chinese Government, being disposed to allow the Japanese Government to

develop the economic relations of the two countries in South Manchuria, realising that the Japanese Government attaches importance to its interests in that region, and wishing to meet the hope of Japan, made a painful effort, without hesitation, to agree to the extension of the 25-year lease of Port Arthur and Dalny, the 36-year period of the South Manchuria railway and the 15-year period of the Antung-Mukden railway, all to 99 years; and to abandon its own cherished hopes to regain control of these places and properties at the expiration of their respective original terms of lease. It cannot but be admitted that this is a most genuine proof of China's friendship for Japan.

As to the right of opening mines in South Manchuria, the Chinese Government has already agreed to permit Japanese to work mines within the mining area designated by Japan. China has further agreed to give Japan a right of preference in the event of borrowing foreign capital for building railways or of making a loan on the security of the local taxes in South Manchuria. The question of revising the arrangement for the Kirin-Changchun railway has been settled in accordance with the proposal made by Japan. The Chinese Government has further agreed to employ Japanese first in the event of employing foreign advisers on political, military, financial and police matters.

Furthermore, the provision about the repurchase period in the South Manchurian railway was not mentioned in Japan's original proposal. Subsequently, the Japanese Government alleging that its meaning

was not clear, asked China to cancel the provision altogether. Again, Japan at first demanded the right of Japanese to carry on farming in South Manchuria, but subsequently she considered the word "farming" was not broad enough and asked to replace it with the phrase "agricultural enterprises." To these requests the Chinese Government, though well aware that the proposed changes could only benefit Japan, still acceded without delay. This, too, is a proof of China's frankness and sincerity towards Japan.

As regards matters relating to Shantung the Chinese Government has agreed to a majority of the demands.

The question of inland residence in South Manchuria is, in the opinion of the Chinese Government, incompatible with the treaties China had entered into with Japan and other Powers, still the Chinese Government did its best to consider how it was possible to avoid that incompatibility. At first, China suggested that the Chinese Authorities should have full rights of jurisdiction over Japanese settlers. Japan declined to agree to it. Thereupon China reconsidered the question and revised her counter-proposal five or six times, each time making some definite concession, and went so far as to agree that all civil and criminal cases between Chinese and Japanese should be arranged according to existing treaties. Only cases relating to land or lease contracts were reserved to be adjudicated by Chinese Courts, as a mark of China's sovereignty over the region. This is another proof of China's readiness to concede as much as possible.

Eastern Inner Mongolia is not an enlightened region

as yet and the conditions existing there are entirely different from those prevailing in South Manchuria. The two places, therefore, cannot be considered in the same light. Accordingly, China agreed to open commercial marts first, in the interests of foreign trade.

The Hanyehping Company mentioned in the third group is entirely a private company, and the Chinese Government is precluded from interfering with it and negotiating with another government to make any disposal of the same as the Government likes, but having regard for the interests of the Japanese capitalists the Chinese Government agreed that whenever, in future the said company and the Japanese capitalists should arrive at a satisfactory arrangement for co-operation, China will give her assent thereto. Thus the interests of the Japanese capitalists are amply safeguarded.

Although the demand in the fourth group asking for a declaration not to alienate China's coast is an infringement of her sovereign rights, yet the Chinese Government offered to make a voluntary pronouncement so far as it comports with China's sovereign rights. Thus, it is seen that the Chinese Government, in deference to the wishes of Japan, gave a most serious consideration even to those demands which gravely affect the sovereignty and territorial rights of China as well as the principle of equal opportunity and the treaties with foreign Powers. All this was a painful effort on the part of the Chinese Government to meet the situation—a fact of which the Japanese Government must be aware.

As regard the demands in the fifth group, they all infringe China's sovereignty, the treaty rights of other Powers or the principle of equal opportunity. Although Japan did not indicate any difference between this group and the preceding four in the list which she presented to China in respect of their character, the Chinese Government, in view of their palpably objectionable features, persuaded itself that these could not have been intended by Japan as anything other than Japan's mere advice to China. Accordingly China has declared from the very beginning that while she entertains the most profound regard for Japan's wishes, she was unable to admit that any of these matters could be made the subject of an understanding with Japan. Much as she desired to pay regard to Japan's wishes, China cannot but respect her own sovereign rights and the existing treaties with other Powers. In order to be rid of the seed for future misunderstanding and to strengthen the basis of friendship, China was constrained to iterate the reasons for refusing to negotiate on any of the articles in the fifth group, yet in view of Japan's wishes China has expressed her readiness to state that no foreign money was borrowed to construct harbour work in Fukien Province. Thus it is clear that China went so far as to seek a solution for Japan of a question that really did not admit of negotiation. Was there, then, evasion, on the part of China?

Now, since the Japanese Government has presented a revised list of demands and declared at the same time, that it will restore the leased territory of Kiao-

chow, the Chinese Government reconsiders the whole question and herewith submits a new reply to the friendly Japanese Government.

In this reply the unsettled articles in the first group are stated again for discussion.

As regards the second group, those articles which have already been initialled are omitted. In connection with the question of inland residence the police regulation clause has been revised in a more restrictive sense. As for the trial of cases relating to land and lease contracts the Chinese Government now permits the Japanese Consul to send an officer to attend the proceedings.

Of the four demands in connection with that part of Eastern Inner Mongolia which is within the jurisdiction of South Manchuria and the Jehol intendency, China agrees to three.

China, also, agrees to the article relating to the Hanyehping Company as revised by Japan.

It is hoped that the Japanese Government will appreciate the conciliatory spirit of the Chinese Government in making this final concession and forthwith give her assent thereto.

There is one more point. At the beginning of the present negotiations it was mutually agreed to observe secrecy but unfortunately a few days after the presentation of the demands by Japan an Osaka newspaper published an "Extra" giving the text of the demands. The foreign and the Chinese press has since been paying considerable attention to this question and frequently publishing pro-Chinese or pro-Japanese comments in order to call forth the World's

conjecture—a matter which the Chinese Government deeply regrets.

The Chinese Government has never carried on any newspaper campaign and the Chinese Minister of Foreign Affairs has repeatedly declared it to the Japanese Minister.

In conclusion, the Chinese Government wishes to express its hope that the negotiations now pending between the two countries will soon come to an end and whatever misgivings foreign countries entertain toward the present situation may be quickly dispelled.

APPENDIX G

JAPAN'S ULTIMATUM TO CHINA

Japan's Ultimatum delivered by the Japanese Minister to the Chinese Government, on May 7th, 1915.

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavour to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day as many as twenty-five conferences have been held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiation the Imperial Government have consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is on 17th of the last month. The Imperial Government, taking a broad view of the negotiation and in consideration of the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government on the 26th of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals, the Imperial Government would, at a suitable opportunity, restore, with fair and proper conditions, to the Chinese Government the Kiaochow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the 1st of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals but even with regard to the offer of the Japanese Government to restore Kiaochow to the Chinese Government the latter did not manifest the least appreciation for Japan's goodwill and difficulties.

From the commercial and military points of view Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, they went to the extent of proposing

its restoration, yet to her great regret, the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government in offering the restoration of Kiaochow Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiaochow; and still further in connection with the territory of Kiaochow China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiaochow and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands the settlement of the other questions, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, commercial, industrial and strategic relations, as recognised by all the nations, and made more

remarkable in consequence of the two wars in which Japan was engaged, the Chinese Government overlooks these facts and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government, in a compromising spirit, have formulated in accordance with the statement of the Chinese Representatives thereby making the statements of the Representatives an empty talk; and on seeing them conceding with the one hand and withholding with the other it is very difficult to attribute faithfulness and sincerity to the Chinese Authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammuntion and the establishment of arsenals and railway concessions in South China in the revised proposals they were either proposed with the proviso that the consent of the Power concerned must be obtained, or they are merely to be recorded in the minutes in accordance with the statements of the Chinese delegates, and thus they are not in the least in conflict either with Chinese sovereignty or her treaties with the Foreign Powers, yet the Chinese Government in their reply to the proposals, alleging that these proposals are incompatible with their sovereign rights and treaties with Foreign Powers, defeat the expectations of the Imperial Government. However in spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiations, yet warmly attached to the preservation of the peace of the Far East, is still hoping for a satisfac-

tory settlement in order to avoid the disturbance of the relations.

So in spite of the circumstances which admitted no patience, they have reconsidered the feelings of the Government of their neighbouring Country and, with the exception of the article relating to Fukien which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake to detach the Group V from the present negotiation and discuss it separately in the future. Therefore the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Groups I, II, III, and IV and the exchange of notes in connection with Fukien province in Group V as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock P.M. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time, the Imperial Government will take steps they may deem necessary.

EXPLANATORY NOTE

Accompanying Ultimatum delivered to the Minister of Foreign Affairs by the Japanese Minister, May 7th, 1915.

1. With the exception of the question of Fukien to be arrangel by an exchange of notes, the five articles postponed for later negotiation refer to (a) the

employment of advisers, (b) the establishment of schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunition and the establishment of arsenals, and (e) right of Missionary propaganda.

2. The acceptance by the Chinese Government of the article relating to Fukien may be either in the form as proposed by the Japanese Minister on the 26th of April or in that contained in the Reply of the Chinese Government of May 1st. Although the Ultimatum calls for the immediate acceptance by China of the modified proposals presented on April 26th, without alteration but it should be noted that it merely states the principle and does not apply to this article and articles 4 and 5 of this note.

3. If the Chinese Government accept all the articles as demanded in the Ultimatum the offer of the Japanese Government to restore Kiaochow to China made on the 26th of April, will still hold good.

4. Article 2 of Group II relating to the lease or purchase of land, the terms "lease" and "purchase" may be replaced by the terms "temporary lease" and "perpetual lease" or "lease on consultation," which means a long-term lease with its unconditional renewal:

Article 4 of Group II relating to the approval of Police laws and Ordinances and local taxes by the Japanese Consul may form the subject of a secret agreement.

5. The phrase "to consult with the Japanese Government" in connection with questions of pledging the local taxes for raising loans and the loans for

the construction of railways, in Eastern Inner Mongolia, which is similar to the agreement in Manchuria relating to the matters of the same kind, may be replaced by the phrase "to consult with the Japanese capitalists."

The article relating to the opening of trade marts in Eastern Inner Mongolia in respect to location and regulations, may, following the precedent set in Shantung, be the subject of an exchange of notes.

6. From the phrase "those interested in the Company" in Group III of the revised list of demands, the words "those interested in" may be deleted.

7. The Japanese version of the Formal Agreement and its annexes shall be the official text or both the Chinese and Japanese shall be the official texts.

APPENDIX H

REPLY OF THE CHINESE GOVERNMENT TO THE ULTIMATUM OF THE JAPANESE GOVERNMENT, DELIVERED TO THE JAPANESE MINISTER BY THE MINISTER OF FOREIGN AFFAIRS ON THE 8TH OF MAY, 1915

On the 7th of this month, at three o'clock P.M. the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven articles. The Ultimatum concluded with the hope that the Chinese Government by six o'clock P.M. on the 9th of May, will give a satisfactory reply, and it is hereby declared that if no satisfactory reply is received before or at the specified time, the Japanese Government will take steps she may deem necessary.

The Chinese Government with a view to preserving the peace of the Far East, hereby accepts, with the exception of those five articles of Group V postponed for later negotiation, all the articles of Groups I, II, III and IV and the exchange of notes in connection with the Fukien Province in Group V as contained in the revised proposals presented on the 26th of April, and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government with the hope that thereby all the outstanding questions are settled, so that the cordial relationship between the two countries may be further

consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the literary improvement of the text and sign the Agreement as soon as possible.

APPENDIX I

OFFICIAL STATEMENT BY THE CHINESE GOVERNMENT RESPECTING THE CHINO-JAPANESE NEGOTIATIONS BROUGHT TO A CONCLUSION BY CHINA'S COMPLIANCE WITH THE TERMS OF JAPAN'S ULTIMATUM DELIVERED ON MAY 7, 1915

At three o'clock on the afternoon of May 7, 1915, His Excellency the Japanese Minister in Peking delivered to the Chinese Government in person an Ultimatum from the Imperial Japanese Government, with an accompanying Note of seven articles. The concluding sentences of the Ultimatum read thus:

> "The Imperial Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock P.M. on the ninth day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time the Imperial Government will take such steps as they may deem necessary."

The Chinese Government—having received and accepted the Ultimatum—feel constrained to make a frank and plain statement of the facts connected with the negotiations which were abruptly terminated by this drastic action on the part of Japan.

The Chinese Government have constantly aimed, as they still aim, at consolidating the friendship exist-

ing between China and Japan, and, in this period of travail in other parts of the world, have been particularly solicitous of preserving peace in the Far East. Unexpectedly on January 18, 1915, His Excellency the Japanese Minister in Peking, in pursuance of instructions from his Government, adopted the unusual procedure of presenting to His Excellency the President of the Republic of China a list of twenty-one momentous demands, arranged in five Groups. The first four Groups were each introduced by a preamble, but there was no preamble or explanation to the Fifth Group. In respect of the character of the demands in this Group, however, no difference was indicated in the document between them and those embodied in the preceding Groups.

Although there was no cause for such a *demarche,* the Chinese Government, in deference to the wishes of the Imperial Japanese Government, at once agreed to open negotiations on those articles which it was possible for China to consider, notwithstanding that it was palpable that the whole of the demands were intended to extend the rights and interests of Japan without securing a *quid pro quo* of any kind for China.

China approached the pending conferences in a spirit of utmost friendliness and with a determination to deal with all questions frankly and sincerely. Before negotiations were actually commenced the Japanese Minister raised many questions with regard to the number of delegates proposed to represent China, the number of conferences to be held in each week, and the method of discussion. The Chinese Govern-

ment, though their views differed from those of the Japanese Minister, yielded in all these respects to his contentions in the hope of avoiding any delay in the negotiations. The objections of the Japanese Minister to the customary recording and signing of the minutes of each conference, which the Chinese Government suggested as a necessary and advisable precaution, as well as one calculated to facilitate future reference, were also accepted. Nor did the Chinese Government retaliate in any way when in the course of the negotiations the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion. Even when delay was threatened owing to the unfortunate injury sustained by the Japanese Minister as a result of a fall from his horse, the Chinese delegates, in order to avert interruption, proposed that the conferences should be continued at the Japanese Legation, which proposal was accepted. Later, when on March 22, the Japanese Government despatched large bodies of troops to South Manchuria and Shantung for the ostensible purpose of relieving the garrison—whose term of service had not then expired—the Japanese Minister stated at the conference, in reply to a direct question as to when the retiring troops would be withdrawn, that this would not be done until the negotiations could be brought to a satisfactory conclusion. Although this minatory step caused much excitement, indignation and alarm on the part of the Chinese people, and made it difficult for the Chinese Government to continue the conferences, they successfully exerted efforts to avert a

rupture and thus enabled the negotiations smoothly to proceed. All this demonstrates that the Chinese Government were dominated by a sincere desire to expedite the progress of the conferences; and that the Japanese Government recognised this important fact was made clear on March 11 when the Japanese Minister conveyed to the Chinese Government an expression of his Government's appreciation of China's frankness and sincerity in the conduct of the negotiations.

From February 2, when the negotiations were commenced, to April 17, twenty-four conferences were held in all. Throughout this whole period the Chinese Government steadfastly strove to arrive at an amicable settlement and made every concession possible.

Of the twenty-one demands originally submitted by Japan, China agreed to fifteen, some in principle and some textually, six being initialled by both parties.

IN THE MATTER OF THE DEMANDS TO WHICH CHINA AGREED

At the first conference, held on February 2, China agreed in principle to the first article of the Shantung Group of demands which provides that China should give her assent to the transfer of Germany's rights in Shantung to Japan. The Chinese Government maintained at first that the subject of this demand related to the *post bellum* settlement, and, therefore, should be left over for discussion by all the parties interested at the Peace Conference. Failing to persuade the Japanese Minister to accept this view, the Chinese Gov-

ernment agreed to this demand in principle, and made certain supplementary proposals.

One of the supplementary proposals was in these terms:

> "The Japanese Government declares that when the Chinese Government give their assent to the disposition of the rights above referred to, Japan will restore the Leased Territory of Kiaochow to China, and further recognises the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany."

The provision for a declaration to restore Kiaochow was clearly not a demand on Japan but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany on August 15, 1914, (a copy of which was officially transmitted to the Chinese Government for perusal on August 15), and repeated in public statements by the Japanese Premier. Appreciating the earnest desire of Japan to maintain the peace of the Far East and to cement her friendship with China, as evidenced by this friendly offer, the Chinese Government left the entire question of the conditions of restoration to be determined by Japan, and refrained from making any reference thereto in the supplementary proposal. The suggestion relating to participation in the Conference between Japan and Germany was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese Province, and therefore China

is the Power most concerned in the future of that territory.

Another supplementary proposal suggesting the assumption by Japan of responsibility for indemnification of the losses arising out of the military operations by Japan in and about the leased territory of Kiaochow was necessitated by the fact that China was neutral *vis-à-vis* the war between Japan and Germany. Had China not inserted such a provision, her position in relation to this conflict might have been liable to misconstruction—the localities in which the operations took place being a portion of China's territory—and might also have exposed herself to a claim for indemnification of losses for which she was in no way responsible.

In a further supplementary proposal the Chinese Government suggested that, prior to the restoration of the Kiaochow territory to China, the Maritime Customs, the telegraphs and post offices should be continued to be administered as heretofore; that the military railway, the telegraph lines, etc., which were installed by Japan to facilitate her military operations, should be removed forthwith; that the Japanese troops now stationed outside of the leased territory should be first withdrawn, and those within the territory should be recalled at the time when Kiaochow is returned to China. Shantung being a Chinese Province, it was natural for China to be anxious concerning the restoration of the *statu quo ante bellum.* Although the Chinese Government were confident that the Japanese Government would effect such restoration in pursuance of their official declaration, it was necessary

for China, being neutral throughout the war, to place these matters on record.

At the third conference, held on February 22, China agreed to the second demand in the Shantung Group not to cede or lease to any Power any territory or island or land on the sea border of Shantung.

At the fifth conference, held on February 28, China agreed to give Japan the preference, provided Germany abandoned the privilege, to supply the capital for the construction of a railway from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, in the event of China deciding to build that railway with foreign capital.

At the sixth conference, held on March 3, China, in the interests of foreign trade, agreed to open certain important cities in Shantung as trade marts under regulations approved by the Japanese Government, although this was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the Far East.

At the eighth conference, held on March 9, China agreed (1) to the extension of the term of the lease of Dairen and (2) Port Arthur, and (3) of the South Manchuria and (4) Antung-Mukden railways, all to ninety-nine years.

Owing to the bitter experiences which China sustained in the past in connection with the leased portions of her territory, it has become her settled policy not to grant further leases nor to extend the term of

those now in existence. Therefore, it was a significant indication of China's desire to meet Japan's wishes when she agreed to this exceptional departure from her settled policy.

At the same conference the Chinese Government also agreed to refrain from raising objections to the principle of co-operation in the Hanyehping Company, if the latter should arrive at an agreement in this respect with the Japanese capitalists concerned. With reference to this question it was pointed out to the Japanese Minister that, in the Provisional Constitution of the Republic of China, Chinese subjects are guaranteed the right of protection of their property and freedom to engage in any lawful occupation. The Government were precluded, therefore, from interfering with the private business of the people, and could not find any other solution than the one thus agreed to.

As regards the single article of the Fourth Group, and the preamble thereto, the Chinese Government held that they were inconsistent with Chinese sovereignty. However, China, at this conference, expressed her readiness to meet the wishes of Japan so far as it was possible without infringing her sovereignty, and agreed to make a voluntary pronouncement that she would not alienate any portion of her coast line.

In connection with the South Manchuria Railway it is worthy of note that the provision regarding the repurchase period in the agreement (thirty-six years from 1902) was not mentioned in Japan's original proposal. Subsequently the Japanese Government, on the ground that the meaning of this provision was not clear, requested China to agree to its cancellation.

To this request the Chinese Government acceded, though well aware that the proposed change could only benefit Japan. China thus relinquished the right to repurchase the railway at the expiration of another twenty-three years.

In connection with the Antung-Mukden Railway the article, which was originally initialled at the conference, provided for the reversion of the railway to China at the end of ninety-nine years without payment, but, at the subsequent meeting, the Japanese Minister requested that the reference to the reversion without payment be deleted from the initialled article. In acceding to the Japanese Minister's request, China again showed her sincere desire to expedite matters and to meet Japan's wishes even at th sacrifice of a point in her favour, to which Japan had already agreed.

At the eleventh conference, held on March 16, China agreed to give Japan preference in regard to loans for railway construction in South Manchuria.

At the thirteenth conference, held on March 23, China agreed (1) to the amendment of the Kirin-Changchun Railway loan agreement; (2) to give preference to Japan if the revenue of South Manchuria were offered as security for loans; (3) to give preference to Japanese in the event of the employment of advisers for South Manchuria; (4) to grant to Japanese the right of mining in nine specified areas in South Manchuria.

In its original form the demand with reference to mining in South Manchuria tended to create a monopoly for Japanese subjects, and, therefore, was entirely inconsistent with the principle of equal oppor-

tunity. The Chinese Government explained that they could not, in view of the treaty rights of other Powers, agree to this monopoly, but they readily gave their acceptance when Japan consented to the modification of the demand so as to mitigate its monopolistic character.

In connection with the Kirin-Changchun Railway the amendment agreed to involves a fundamental revision of the original agreement on the basis of the existing railway loan concluded by China with other foreign capitalists, as well as an engagement on the part of the Chinese Government to extend to this railway any better terms which may be hereafter accorded to other railway concessionaries in China. The capital of this railway was originally fifty per cent Chinese and fifty per cent Japanese. The effect of this undertaking is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese.

At the twenty-first conference, held on April 10, China agreed, in regard to the demands concerning Fukien Province, to give Japan an assurance in accordance with Japan's wishes at a future time.

As regards demands 2 and 3 in the Manchurian Group, relating to the ownership of land for trade, manufacture, and agricultural enterprises as well as for the right of settlement in the interior of South Manchuria, the Chinese Government, after discussion at several conferences, agreed to them in principle, but desired to introduce certain amendments concerning the control and protection of the Japanese subjects who might avail themselves of these rights. The course of

the negotiations in connection with these amendments will be referred to subsequently.

IN THE MATTER OF THOSE DEMANDS TO WHICH CHINA COULD NOT AGREE

Of the twenty-two original demands there were six, as previously mentioned, to which China could not agree on the ground that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportunity.

Thus, for example, the second article of the Hanyehping question in the original Third Group in particular seriously affected the principle of equal commercial and industrial opportunity.

The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the Republic's domestic affairs, and consequently an infringement of her sovereignty. For that reason the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese Minister that this referred only to South Manchuria, and he suggested that his Government would be satisfied if China agreed to engage Japanese as police advisers for that territory, the Chinese Government accepted the suggestion.

The two articles relating to the acquisition of land for schools, hospitals, and temples, as well as to the right of missionary propaganda, would, in the opinion of the Chinese Government, have presented grave obstacles to the consolidation of the friendly feeling sub-

sisting between the two people. The religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which they labour, Japanese monks would live with the Chinese, and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extraterritoriality now obtaining in China. Moreover, a general apprehension exists among the Chinese people that these peculiar conditions favouring conspiracies for political purposes might be taken advantage of by some unscrupulous Chinese.

The demand for railway concessions in the Yangtze Valley conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of March 6, 1908, the Nanking-Changsha Railway Agreement of March 31, 1914, and the engagement of August 24, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu. For this reason the Chinese Government found themselves unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance.

In respect to the demand for the appointment of influential Japanese to be advisers in political, financial

and military affairs, the policy of the Chinese Government in regard to the appointment of advisers has been similar to that which has presumably guided the Japanese Government in like circumstances, namely the selection of the best qualified men irrespective of their nationality. As an indication of their desire to avail themselves of the services of eminent Japanese, one of the earliest appointments made to an advisership was that of Dr. Ariga, while later on Dr. Hirai and Mr. Nakayama were appointed to the Ministry of Communications.

It was considered that the demand that Japanese should be appointed in the three most important administrative departments, as well as the demand for the joint control of China's police, and the demand for an engagement to purchase a fixed amount of arms and ammunition from Japan or to establish joint arsenals in China, so clearly involved the sovereignty of the Republic that the Chinese Government were unable even to consider them.

For these reasons the Chinese Government, at the very outset of the negotiations, declared that they were unable to negotiate on the demands; but, in deference to the wishes of the Japanese Minister, the Chinese delegates consented to give the reasons for declining to enter into a discussion of them.

IN THE MATTER OF THE QUESTIONS OF DISPUTE VOLVED IN SOME OF THE FOREGOING DEMANDS

The demand by Japan for the right of her subjects in South Manchuria to lease or own land, and to reside and travel, and to engage in business or manufacture

of any kind whatever was deemed by the Chinese Government to obtain for Japanese subjects in this region a privileged status beyond the terms of the treaties existing between the two nations, and to give them a freedom of action which would be a restriction of China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands, thereby endangering China's territorial integrity. Moreover, residence in the interior was incompatible with the existence of extraterritoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in practice of other nations.

Japan's unconditional demand for the privilege of inland residence accompanied with a desire to extend extraterritoriality into the interior of China and to enable Japanese subjects to monopolise all the interests in South Manchuria was also palpably irreconcilable with the principle of equal opportunity. For this reason the Chinese Government were, in the first instances, unable to accept this demand as a basis of negotiation. Their profound regard for the friendly relations of the two countries, however, persuaded them to exert their utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically impossible to solve. Knowing that the proposal made by Japan was incompatible with treaties, they nevertheless sought to meet her wishes within the limits of treaties. Accordingly they submitted a counter-proposal to open more places in South Man-

churia to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the belief that the places to which Japanese subjects would desire to resort for purposes of trade, could not be other than important localities; if all these localities were opened to commerce, then they could reside, trade, and lease land there for joint reclamation. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the provisos that Japanese subjects in places outside of trade marts should observe Chinese police regulations and pay taxes in the same manner as Chinese; and that civil and criminal cases involving such Japanese subjects should be adjudicated by Chinese Authorities, the Japanese Consul attending merely to watch the proceedings. This suggestion was not an innovation: it was based upon the *modus operandi* now in force as regards the Korean settlers in inland districts in Chientao. But the Japanese Government again declined to accept it.

The Chinese Government thereupon made a third proposal along the line of what constitutes the present practice in Turkey, making a distinction, however, in favour of Japanese subjects, in the exercise of

jurisdiction over civil and criminal cases. This was once more objected to by the Japanese Government.

Then the Chinese Government proposed to concede still another step—the fourth endeavour to meet Japan's wishes. They proposed to agree to the full text of Articles 2 and 3 relative to the question of inland residence, except that "the right of owning land" was changed into "the right of leasing land" and to the phrase "cultivating land" was added this clause: "the regulations for which shall be determined separately;" and, further, to add a supplementary article which embodied a *modus operandi* which the Chinese Government had constrained themselves to make out of a desire to come to a settlement over this question. The view advanced in this supplementary article was based upon the Japanese Minister's declaration made on March 6, 1915, that a separate article embodying some compromise might be added to the original articles 2 and 3 for the purpose of avoiding any conflict with China's sovereignty or the system established by treaties.

These suggestions made by the Chinese Government were not accepted by Japan.

As regards Eastern Inner Mongolia not only have no treaties been entered into with Japan concerning this region, but also the people are so unaccustomed to foreign trade that the Chinese Government invariably feel much anxiety about the safety of foreigners who elect to travel there. The Chinese Government, therefore, considered that it would not be in the interest of foreigners to open the whole territory to them for residence and commerce, and on these grounds based their original refusal to place Eastern Inner

Mongolia on the same footing as South Manchuria. Still, their desire to meet the wishes of the Japanese Government eventually prompted them to offer to open a number of places in the region to foreign trade.

IN THE MATTER OF JAPAN'S REVISED DEMANDS

The foregoing is an outline of the negotiations up to April 17. It was hoped by the Chinese Government that the Japanese Government in view of the great concessions made by China at the conferences held up to this time, would see a way of effecting an amicable settlement by modifying their position on certain points. In regard to these it had, by this time, become manifest that China would encounter almost insuperable difficulties in making further concessions.

The Japanese Government, however, suspended the negotiations until April 26, when they surprised the Chinese Government by presenting a new list of twenty-four demands (which is hereto appended), and requested the Chinese Government to accord their acceptance without delay, adding that this was their final proposal. At the same time the Japanese Minister stated that the Japanese Government would restore the leased territory of Kiaochow to China at an opportune time in the future and under proper conditions, if the Chinese Government would agree to the new list of twenty-four demands without modification.

In this new list although the term "special position" in the preamble of the Manchurian Group was changed to "economic relations," and although the character of the articles in the original Fifth Group was altered from Demands to a recital of alleged statements by the

Chinese Foreign Minister, four new demands were introduced concerning Eastern Inner Mongolia. In deference to the wishes of the Japanese Government, the Chinese Government gave the revised list the most careful consideration; and being sincerely desirous of an early settlement offered new concessions in their reply presented to the Japanese Minister on May 1.

In this reply the Chinese Government reinserted the proposal in reference to the retrocession of Kiaochow which they advanced at the first conference on February 2, and which was postponed at the request of the Japanese Minister. This, therefore, was in no sense a new proposal.

The Chinese Government also proposed to agree to three of the four articles relating to Eastern Inner Mongolia. There was some difficulty in determining a definition of the boundaries of Eastern Inner Mongolia—this being a new expression in Chinese geographical terminology—but the Chinese Government, acting upon a statement made at a previous conference by the Japanese Minister that the Japanese Government meant the region under Chinese administrative jurisdiction, and taking note, in the list presented by the Japanese Minister, of the names of places in Eastern Inner Mongolia to be opened to trade, inferred that the so-called Eastern Inner Mongolia is that part of Inner Mongolia which is under the jurisdiction of South Manchuria and the Jehol circuit; and refrained from placing any limitations upon the definition of this term.

The Chinese Government also withdrew their supplementary proposal reserving the right of making regulations for agricultural enterprises to be under-

taken by Japanese settlers in South Manchuria.

In respect of the trial of cases involving land disputes between Japanese only, or between Japanese and Chinese, the Chinese Government accorded to the Japanese Consul the right to deputing an officer to watch the proceedings.

The Chinese Government also agreed to accept the suggestion of the Japanese Government to modify the term "police law and ordinances" into "police rules and regulations," thereby limiting the extent of control which the Chinese would have over Japanese subjects.

As regards the Hanyehping demand, the Chinese Government accepted the draft made by the Japanese Government, embodying an engagement by the Chinese Government not to convert the Company into a State-owned concern, nor to cofiscate it, or to force it to borrow foreign capital other than Japanese.

In respect of the Fukien question the Chinese Government also agreed to give an assurance in the amplified form suggested by the Japanese Government that the Chinese Government had not given their consent to any foreign nations to construct a dock-yard, or a coaling station, or a naval base, or any other military establishment along the coast of Fukien Province; nor did they contemplate borrowing foreign capital for the foregoing purposes.

Having made these concessions which practically brought the views of China into line with those of Japan, and having explained in a note accompanying the reply the difficulty for China to make further concessions, the Chinese Government hoped that the Japanese Government would accept their reply of May 1,

and thus bring the negotiations to an amicable conclusion.

The Japanese Government, however, expressed themselves as being dissatisfied with China's reply, and withdrew the conditional offer to restore Kiaochow to China made on April 26. It was further intimated that if the Chinese Government did not give their full compliance with the list of twenty-four demands, Japan would have recourse to drastic measures.

Upon receiving this intimation the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation, and represented to the Japanese Government that they would reconsider their position and make another attempt to find a solution that would be more satisfactory to Japan, in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance. Even in the evening of May 6, after the Japanese Minister had notified the Chinese Government that the Ultimatum had arrived in Peking, the Chinese Government in the interests of peace still exerted efforts to save the situation by offering to meet Japan's wishes.

These overtures were again rejected, and thus was exhausted the means at the disposal of the Chinese Government to prevent an impasse.

It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of negotiations. All that

the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China and the principle of equal opportunity.

To the profound regret of the Chinese Government however, the tremendous sacrifices which they had shown themselves ready to make, proved unavailing, and an Ultimatum was duly delivered to them by the Japanese Minister at three o'clcok on the afternoon of May 7.

As to the allegations made in the Ultimatum against China the Chinese Government hope that the foregoing outline of the history of the negotiations constitutes a clear, dispassionate, and complete reply.

In considering the nature of the course they should take with reference to the Ultimatum the Chinese Government was influenced by a desire to preserve the Chinese people, as well as the large number of foreign residents in China, from unnecessary suffering and also to prevent the interests of friendly Powers from being imperilled. For these reasons the Chinese Government were constrained to comply in full with the terms of the Ultimatum, but in complying the Chinese Government disclaim any desire to associate themselves with any revision, which may thus be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo,* and the principle of equal opportunity for the commerce and industry of all nations in China.

APPENDIX J

JAPAN'S COMMUNIQUE

Issued by the Japanese Government from Tokio on May 7 and circulated by Reuter's Telegraph Agency.

The Imperial Government have, in the demands lately presented to the Chinese Government, made it the main object to adjust matters to meet the new situation created by the war between Japan and Germany and to bring closer the friendly relations subsisting between Japan and China and thus ensure the permanent peace of the Far East. In formulating these demands, they have taken special care to avoid those which might have been deemed to conflict with the principles of territorial integrity, equal opportunity and the Open Door, which Japan has, from time to time, declared to the Powers in regard to China. Accordingly these demands include among others those relating to the disposition of German rights in Shantung, those relating to the recognition of the special position and interests of Japan in South Manchuria and Eastern Inner Mongolia, and those relating to the solution of various questions which for many years have been pending between the Japanese and Chinese Governments.

Group I contains demands relating to the Province of Shantung.

The first article demands an engagement on the part

of China to consent to all matters which may be agreed upon between the Japanese Government and the German Government with regard to the disposition of all rights, interests and concessions which in virtue of treaties or otherwise Germany possesses in relation to the Province of Shantung.

The second article demands an engagement on the part of China not to alienate or lease to another Power the province of Shantung or any portion of it or any island lying near the coast of the said province.

Article 3. China shall grant to Japan the right of construction of a railway connecting Chefoo or Lungkou with the Tsinanfu-Kiaochow Railway.

Article 4. The Chinese Government shall open the principal cities of the Province of Shantung for the residence and trade of foreigners.

Group II. Contains demands relating to South Manchuria and Eastern Inner Mongolia. The first article demands the extension of the terms of lease of Port Arthur and of the South Manchuria and Antung-Mukden railways to a period of ninety-nine years. The second article demands that Japanese subjects shall be permitted to lease or own land necessary either for erecting buildings of various kinds for commercial and industrial uses or for agricultural purposes. The third article demands that Japanese subjects shall be permitted to reside, travel and carry on business of various kinds, commercial, industrial or otherwise. The fourth article demands that Japanese subjects shall be granted the mining rights of certain specified mines. The fifth article demands that the consent of the Japanese Government shall be obtained

in advance when China proposes to grant a railway concession to subjects of a third Power or to procure a supply of capital from a third Power for the construction of a railway or to raise a loan from such Power on the security of duties or taxes. The sixth article demands that the Japanese Government shall be consulted before the engaging of advisers or instructors regarding political, financial or military matters. Article 7 demands that the management and control of the Kirin-Changchun Railway shall be transferred to Japan for the term of ninety-nine years.

Group III. Contains demands relating to the Hanyehping Company. The first article demands that having regard to the close relations between Japanese capitalists and this Company, the Chinese Government shall agree to the placing of the Company under joint Japanese and Chinese management and not to dispose or permit the Company to dispose, without the second article demands that owing to the necessity for the protection of the interests of Japanese capitalists, the Chinese Government shall engage not to permit, without the consent of the Company, any one other than the Company to work mines situated in the neighborhood of those belonging to the Company and also to obtain previous consent in case it is proposed to take measures which may be deemed to affect the Company directly or indirectly.

Group IV. Contains demands relating to the non-alienation of the coast of China or islands off the coast. The Chinese Government shall engage not to alienate or lease to a third Power any ports or bays on, or islands off, the coast of China.

Group V. Propositions relating to the solution of pending questions and others.

Article 1. The Central Chinese Government must engage influential Japanese as political, financial and military advisers.

Article 2. The Chinese Government must recognise the right of Japanese to land for building Japanese hospitals, temples and schools in the interior of China.

Article 3. The police in localities where such arrangements are necessary must be placed under joint Japanese and Chinese administration, or else Japanese must be employed as police officers in such localities.

Article 4. China must obtain from Japan a supply of a certain quantity of arms, or else must establish arsenals in China, under joint Japanese and Chinese management, and these must be supplied with experts and material from Japan.

Article 5. Japan must be given the right to construct a railway connecting Wuchang with the Kiukiang-Nanchang line and with the Nanchang-Hangchow railways.

Article 6. In view of the relations between the province of Fukien and Formosa and the agreement respecting the non-alienation of Fukien, Japan must consulted whenever foreign capital is needed in connection with railways, mines and harbour works, including dockyards.

Article 7. The Chinese Government must recognise the right of preaching by the Japanese in China.

With regard to the province of Shantung, China absolutely lacks, it is clear, in her present condition, the power to prevent Germany from recovering her

influence in that province and from becoming in future again a source of disturbance in the Far East. It is, therefore, natural that Japan, who has at great sacrifice driven Germany out of Shantung, should present the above mentioned demands, in order to consider how the rights possessed by Germany should be disposed of, and to take measures to prevent the recrudescence of German influence.

Japan's relations with Manchuria have always been especially close geographically, politically and from the point of view of commercial and industrial interests. Since those relations have been strengthened by two successive wars the predominant position of Japan in that region has been recognised both at home and abroad.

The case is almost similar in regard to Eastern Inner Mongolia. Further, for the advancement of the intimate relations existing between Japan and China, no effort should be spared to solve definitely on this occasion all pending questions which are likely to lead to difficulties with China and at the same time to make an agreement with a view to prevent future misunderstandings. The Japanese Government, fully expecting that the Chinese Government would value the friendly sentiments existing between the two countries and willingly accede to the Japanese proposals, urged them to carry these matters into effect, whereas, in other matters China's consent was demanded by reason of treaty and other rights.

With regard to the demands, which were formulated after careful and mature consideration, on the basis of the principles above referred to the Chinese

Government, in disregard of the understanding which was made at the commencement of the negotiations to keep the proceedings of the conferences strictly secret, made public the Japanese proposals, in various exaggerated forms and endeavoured to stir up the feelings of the Powers against Japan. They caused the matters discussed at the conferences to be published invariably in the newspapers, with a view to hindering the progress of the negotiations; by fabricating news detrimental to Japan and they attempted to shake the confidence placed by her ally in Japan. They even demanded the unconditional retrocession of Kiaochow and an indemnity for the damage caused by the war between Japan and Germany, and thus they showed from the first a lack of a sincere desire for a satisfactory conclusion of the negotiations. Moreover, although the Japanese Government fully showed its sincerity by repeatedly explaining the motives of the demands and endeavoured to hear China's unreserved views on the matter, it is an undeniable fact that the Chinese authorities failed to appreciate the friendly attitude of Japan and persisted in protracting the negotiations. Twenty-five conferences were held in all, extending over more than three months and throughout these conferences the Japanese Government exhausted every means of arriving at a satisfactory solution, but the Chinese Government, although they showed a disposition to agree to the demands relating to the province of Shantung, yet with regard to South Manchuria put various restrictions upon the most important demands, namely those

relating to the rights regarding land tenure and objected to those relating to Eastern Inner Mongolia and various questions enumerated under Group V., on the ground that they were derogatory to the sovereign rights of China or conflicted with treaties with other Powers and, although the Japanese Minister explained that such was not the case, they refused to listen. But, recognising that a satisfactory conclusion of the negotiations was most important for the maintenance of peace of the Far East, the Japanese Government treated the Chinese contentions with every consideration, making very great concessions. In a spirit of conciliation they amended their proposals and presented their revised draft to the Chinese Government on April 26. In the revised draft the contentions put forward by the Chinese Government were taken into consideration. In this draft, as regards Eastern Inner Mongolia, the demands were confined, for the present, to absolutely necessary matters; those relating to the Hanyehping Company were confined to matters which had been admitted by the Chinese Government at the conferences. As regards the demand respecting the non-alienation of the coast, the form desired by the Chinese was accepted. The proposals relating to advisers ownership of land for schools and hospitals, and the position of the province of Fukien were all altered in accordance with the views expressed by the Chinese representatives at the conferences. As regards South China railways, the relations with third parties especially were respected and alterations were made accordingly. The question of the right of

preaching was reserved for future negotiation. Those relating to police and the ownership of sites for temples were withdrawn.

MORE ARTICLES ADDED IN REVISED DRAFT

The revised draft is therefore practically as follows:

Group II. Eastern Inner Mongolia is excluded from the proposals respecting South Manchuria and Eastern Inner Mongolia and the second and third articles are amended as follows:

Article 2. Japanese subjects shall be permitted in the region of South Manchuria to lease or buy land necessary for erecting buildings of various kinds for commercial and industrial uses or for agricultural purposes.

Article 3. Japanese subjects shall have liberty to enter, travel and reside in the region of South Manchuria and carry on business of various kinds, commercial, and industrial, and otherwise.

The fourth article, referring to the preceding two provisions, says that Japanese subjects shall produce before the Chinese local authorities passports duly issued and registered by the said authorities. They shall also observe Chinese police laws or regulations approved by the Japanese consuls and pay to the Chinese authorities taxes approved by the Japanese consuls. In civil, original suits the Japanese consul, where a Japanese subject is defendant, and a Chinese official, where a Chinese is defendant, shall respectively try and decide the case, both the Japanese consul and the Chinese official being permitted each to

send an authorised agent to attend the trial and watch proceedings, provided that in a civil suit concerning land between Japanese and Chinese the case shall be examined and decided jointly by the Japanese consul and a Chinese official according to the laws and customs of China, provided further that in future when the judicial system in the said region shall be completely reformed all civil and criminal suits involving Japanese subjects shall be wholly tried and decided by Chinese courts.

Proposals relating to Eastern Inner Mongolia:

The first article demands that China shall permit joint enterprises of Japanese and Chinese in agricultural and auxiliary industries, the second that China shall consult Japan first in case China contemplates contracting either railway loans or loans secured by taxes, and the third that China shall increase the number of open marts.

Group III. As regards the Hanyehping Company the Chinese Government shall engage to approve of an agreement that may be concluded in future between the Company and Japanese capitalists for a joint undertaking, and agrees not to confiscate it nor to nationalise it without the consent of interested Japanese capitalists and not to permit it to contract any foreign loan with other than Japanese.

Group IV. As regards the non-alienation of Chinese coasts, the Japanese Government will be satisfied with the declaration as suggested by the Chinese Government.

Group V. As to the other points the following shall be kept on record:

Article 1. That the Chinese Government will in case of necessity in future employ Japanese advisers.

Article 2. In case Japanese subjects desire to lease or purchase land for the purpose of building schools or hospitals in the interior, the Chinese Government will permit them to do so.

Article 3. The Chinese Government will some day in the future send military officers to Japan in order to make arrangements directly with the Japanese military authorities either for the purchase of arms from Japan or for establishing an arsenal (? arsenals) in China under Sino-Japanese management.

Article 4. The Chinese Government will grant Japan her desired railway concession in South China in case it becomes clear that there is no objection in this respect on the part of any other Power, or that the Chinese Government will refrain from entering into any agreement with any other party concerning the railway lines in question until Japan may, independently of the present negotiations with China, reach an agreement with the party whose interests, in the opinion of the Chinese Government, are opposed to the proposed lines.

Article 5. The question of freedom for preaching by Japanese missionaries will be left over for future discussion.

The proposal for joint administration of police is withdrawn.

As to Fukien province the Chinese Government must engage in some form that they will not grant to any other Power the right to build a shipyard, coaling or naval stations, or any other military establishment

on or along the coast of Fukien province, and further, that the Chinese Government will not allow any such establishment to be built with any foreign capital on the coast of the said province.

At the same time as to the presentation of the revised draft, the Japanese Government declared to the Chinese Government that if, at any peace conference upon the conclusion of the present war, Japan should be given the free disposal of Kiaochow which she acquired at enormous sacrifice, she would return it to China subject to certain conditions, of which the principal ones were as follows:

The opening of Kiaochow Bay as a commercial port.

The establishment of a Japanese concession in a locality designated by the Japanese.

The establishment, if required by the Powers, of an international settlement and arrangements between the Japanese and Chinese Governments regarding the disposal of the German public structures and properties.

Germany having after many years labour and heavy expenditure of money converted Kiaochow into an important military and commercial port, as the basis of her expansion in the East, German influence in this part of China grew with the development of Kiaochow and became so firmly established that it was utterly hopeless for China, single-handed, to regain possession of the leased territory. Japan, desiring to remove this source of danger, which might in future again disturb the peace of the Far East, captured it at no small cost of life and money, and now that it

is in her hands, she is almost at liberty to dispose of it at will. She is certainly under no obligation to return it to China, but she offered of her own will to return Kiaochow because she was anxious to promote friendly relations with China and to maintain the general peace of the Far East. The Chinese Government have, however, failed to reciprocate Japan's sentiment of accommodation and conciliation, and on May 1, presented a counter-draft which they declared to be their final answer.

In this counter-draft, the Chinese Government recognise with regard to South Manchuria the right of residence, trade and leasing land by Japanese subjects in the interior, but refuse to grant long leases.

The Chinese Government also demand that Japanese subjects shall submit to Chinese police laws and regulations, be liable to the same taxes and duties as Chinese, and all actions arising out of land disputes, whether between Japanese and Chinese, or between Japanese themselves, shall come under the jurisdiction of Chinese courts.

As regards Eastern Inner Mongolia, they put limitations on the extent of that region and refuse to permit the main point of the Japanese demand, which is the joint enterprise of Japanese and Chinese in agriculture and auxiliary industries.

Further, they demand at the same time the unconditional surrender of the leased territory at Kiaochow, and the recognition of the right of the Chinese Government to participate in the coming peace negotiations between Japan and Germany.

Indemnification by Japan for all losses suffered by China in consequence of the Japan-German war.

The immediate removal of various military establishments of the Japanese army and the prompt vacuation of occupied territory.

They also refused all the proposals contained in Group V of the Japanese amended project except that relating to Fukien. In this counter-draft the Chinese Government, still further in disregard of responsible statements made by their representatives at the conferences, revived in some cases articles which had already been withdrawn and in others made alterations in matters which were agreed to. Moreover, they make demands to which it is clearly impossible for Japan to accede, such as those losses incurred through the Japan-German war. Furthermore, the Chinese Government declare that their counter-draft formulates their final decision. Accordingly, so long as Japan refuses to accede to these demands whatever agreement may have been arrived at on other points must ultimately be abortive and the terms offered by China prove illusory. The Japanese Government deeply regret to perceive from the attitude of the Chinese Government that it is no longer any use to continue the present negotiations. Nevertheless, being desirous, with a view to the maintenance of peace in the Far East, to make every effort to bring the negotiations to a satisfactory Government, taking fully into account the wishes of the Chinese Government, decided with great forbearance, to leave out of the present negotiations and reserve for future discussion

all items specified in Group V of the amended draft, except that relating to Fukien, about which an agreement has been reached. The Japanese Government instructed their Minister at Peking on May 6th, that, in conveying this decision to the Chinese Government he should earnestly advise them to give due regard to Japan's sentiment of accommodation and conciliation and express after careful consideration their assent without delay to the Japanese amended draft and at the same time announce that the Japanese Government expect from the Chinese Government a satisfactory response to this advice not later than six P.M. on the 9th of May.

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